



Smailes Goldie
Chartered Accountants

C F Struthers (Holdings) Limited

Consolidated Financial Statements

31st December 2017

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**C F Struthers (Holdings) Limited (Registered number:
06835899)**

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for the year ended 31st December 2017

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C F Struthers (Holdings) Limited

Company Information

for the year ended 31st December 2017

DIRECTOR:

N Burton

SECRETARY:

M J Graves

REGISTERED OFFICE:

Millennium Works
Valetta Street
Hedon Road
Hull
East Yorkshire
HU9 5NP

REGISTERED NUMBER:

06835899 (England and Wales)

AUDITORS:

Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

C F Struthers (Holdings) Limited (Registered number: 06835899)

Group Strategic Report *for the year ended 31st December 2017*

The director presents his strategic report of the company and the group for the year ended 31st December 2017.

The principal activity of the company is that of Fabrication Engineers.

REVIEW OF BUSINESS

The Director is pleased with the company's overall performance for the financial year during which it further developed existing opportunities, carried out some re-structuring and investment. The financial result is slightly down on that predicted as identified project opportunities have been slow to commence, however these projects allied with further product development should allow the company to enhance its performance for 2018 and beyond.

PRINCIPAL RISKS AND UNCERTAINTIES

The Director considers that the key risks for the business are meeting customers' constant higher expectations. The risk is managed by ensuring the group's quality systems are maintained, key members of staff retained and a focus on exceeding customer's expectations.

KEY PERFORMANCE INDICATORS

The ultimate controlling party is also a director of the company and is closely involved in the company's activities. The company's director therefore believe that the analysis of the company's performance for the year using Key Performance Indicators is not necessary as the shareholder already understands the development, performance and position of the company.

FINANCIAL RISK MANAGEMENT

The main financial risk, to which the group is exposed is cash flow management. The group manages this risk by closely monitoring and managing the funding position with use of the group's bank facility when required.

ON BEHALF OF THE BOARD:



N Burton - Director

5th September 2018

C F Struthers (Holdings) Limited (Registered number: 06835899)

Report of the Director

for the year ended 31st December 2017

The director presents his report with the financial statements of the company and the group for the year ended 31st December 2017.

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2017 was £100,000.

DIRECTOR

N Burton held office during the whole of the period from 1st January 2017 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Group Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Smailes Goldie, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



N Burton - Director

5th September 2018

Report of the Independent Auditors to the Members of C F Struthers (Holdings) Limited

Opinion

We have audited the financial statements of C F Struthers (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31st December 2017 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31st December 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of C F Struthers (Holdings) Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Director.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jeremy Allison BSc FCA CF (Senior Statutory Auditor)
for and on behalf of Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

5th September 2018

C F Struthers (Holdings) Limited (Registered number: 06835899)

Consolidated Statement of Comprehensive Income
for the year ended 31st December 2017

	Notes	2017 £	2016 £
TURNOVER	3	8,960,870	8,175,390
Cost of sales		<u>7,402,754</u>	<u>5,889,499</u>
GROSS PROFIT		1,558,116	2,285,891
Distribution costs		205,225	221,484
Administrative expenses		<u>1,004,055</u>	<u>901,456</u>
		<u>1,209,280</u>	<u>1,122,940</u>
OPERATING PROFIT	5	348,836	1,162,951
Interest receivable and similar income		<u>206</u>	<u>1,530</u>
		349,042	1,164,481
Interest payable and similar expenses	6	<u>18,245</u>	<u>22,246</u>
PROFIT BEFORE TAXATION		330,797	1,142,235
Tax on profit	7	<u>8,711</u>	<u>231,003</u>
PROFIT FOR THE FINANCIAL YEAR		322,086	911,232
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>322,086</u>	<u>911,232</u>
Profit attributable to: Owners of the parent		<u>322,086</u>	<u>911,232</u>
Total comprehensive income attributable to: Owners of the parent		<u>322,086</u>	<u>911,232</u>

The notes form part of these financial statements

C F Struthers (Holdings) Limited (Registered number: 06835899)

Consolidated Balance Sheet

31st December 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Intangible assets	10	-	-
Tangible assets	11	2,400,813	2,483,936
Investments	12	-	-
		<u>2,400,813</u>	<u>2,483,936</u>
CURRENT ASSETS			
Stocks	13	65,852	49,547
Debtors	14	3,158,586	2,952,679
Cash at bank and in hand		<u>277,309</u>	<u>1,236,412</u>
		3,501,747	4,238,638
CREDITORS			
Amounts falling due within one year	15	<u>2,682,241</u>	<u>3,593,003</u>
NET CURRENT ASSETS		<u>819,506</u>	<u>645,635</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,220,319</u>	<u>3,129,571</u>
CREDITORS			
Amounts falling due after more than one year	16	(115,735)	(231,984)
PROVISIONS FOR LIABILITIES	20	<u>(26,278)</u>	<u>(41,367)</u>
NET ASSETS		<u>3,078,306</u>	<u>2,856,220</u>
CAPITAL AND RESERVES			
Called up share capital	21	60,000	60,000
Share premium	22	540,000	540,000
Revaluation reserve	22	766,430	766,430
Retained earnings	22	<u>1,711,876</u>	<u>1,489,790</u>
SHAREHOLDERS' FUNDS		<u>3,078,306</u>	<u>2,856,220</u>

The financial statements were approved by the director on 5th September 2018 and were signed by:


N Burton - Director

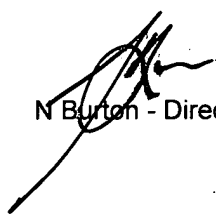
The notes form part of these financial statements

C F Struthers (Holdings) Limited (Registered number: 06835899)

Company Balance Sheet
31st December 2017

	Notes	2017		2016	
		£	£	£	£
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11		-		-
Investments	12		<u>1,200,986</u>		<u>1,200,986</u>
			1,200,986		1,200,986
CURRENT ASSETS					
Debtors	14	115,000		115,000	
CREDITORS					
Amounts falling due within one year	15	<u>668,193</u>		<u>668,193</u>	
NET CURRENT LIABILITIES			<u>(553,193)</u>		<u>(553,193)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>647,793</u>		<u>647,793</u>
CAPITAL AND RESERVES					
Called up share capital	21		60,000		60,000
Share premium	22		540,000		540,000
Retained earnings	22		<u>47,793</u>		<u>47,793</u>
SHAREHOLDERS' FUNDS			<u>647,793</u>		<u>647,793</u>
Company's profit for the financial year			<u>100,000</u>		<u>74,070</u>

The financial statements were approved by the director on 5th September 2018 and were signed by:


N Burton - Director

C F Struthers (Holdings) Limited (Registered number: 06835899)

Consolidated Statement of Changes in Equity

for the year ended 31st December 2017

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Total equity £
Balance at 1st January 2016	60,000	653,558	540,000	766,430	2,019,988
Changes in equity					
Dividends	-	(75,000)	-	-	(75,000)
Total comprehensive income	-	911,232	-	-	911,232
Balance at 31st December 2016	<u>60,000</u>	<u>1,489,790</u>	<u>540,000</u>	<u>766,430</u>	<u>2,856,220</u>
Changes in equity					
Dividends	-	(100,000)	-	-	(100,000)
Total comprehensive income	-	322,086	-	-	322,086
Balance at 31st December 2017	<u>60,000</u>	<u>1,711,876</u>	<u>540,000</u>	<u>766,430</u>	<u>3,078,306</u>

The notes form part of these financial statements

**C F Struthers (Holdings) Limited (Registered number:
06835899)**

Company Statement of Changes in Equity
for the year ended 31st December 2017

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1st January 2016	60,000	48,723	540,000	648,723
Changes in equity				
Dividends	-	(75,000)	-	(75,000)
Total comprehensive income	-	74,070	-	74,070
Balance at 31st December 2016	<u>60,000</u>	<u>47,793</u>	<u>540,000</u>	<u>647,793</u>
Changes in equity				
Dividends	-	(100,000)	-	(100,000)
Total comprehensive income	-	100,000	-	100,000
Balance at 31st December 2017	<u>60,000</u>	<u>47,793</u>	<u>540,000</u>	<u>647,793</u>

The notes form part of these financial statements

C F Struthers (Holdings) Limited (Registered number: 06835899)

Consolidated Cash Flow Statement

for the year ended 31st December 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	(706,991)	1,764,345
Interest paid		(15,588)	(17,321)
Interest element of hire purchase payments paid		(2,657)	(4,925)
Tax paid		<u>3,009</u>	<u>(154,431)</u>
Net cash from operating activities		<u>(722,227)</u>	<u>1,587,668</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(3,429)	(181,457)
Sale of tangible fixed assets		21,751	86,474
Interest received		<u>206</u>	<u>1,530</u>
Net cash from investing activities		<u>18,528</u>	<u>(93,453)</u>
Cash flows from financing activities			
Loan repayments in year		(90,000)	(436,022)
Hire purchase capital repayments		(65,404)	(106,752)
Equity dividends paid		<u>(100,000)</u>	<u>(75,000)</u>
Net cash from financing activities		<u>(255,404)</u>	<u>(617,774)</u>
(Decrease)/increase in cash and cash equivalents		<u>(959,103)</u>	<u>876,441</u>
Cash and cash equivalents at beginning of year	2	<u>1,236,412</u>	<u>359,971</u>
Cash and cash equivalents at end of year	2	<u><u>277,309</u></u>	<u><u>1,236,412</u></u>

The notes form part of these financial statements

C F Struthers (Holdings) Limited (Registered number: 06835899)

Notes to the Consolidated Cash Flow Statement

for the year ended 31st December 2017

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2017 £	2016 £
Profit before taxation	330,797	1,142,235
Depreciation charges	104,014	96,372
Loss/(profit) on disposal of fixed assets	2,787	(10,362)
Finance costs	18,245	22,246
Finance income	(206)	(1,530)
	455,637	1,248,961
(Increase)/decrease in stocks	(16,305)	43,183
Increase in trade and other debtors	(205,907)	(865,791)
(Decrease)/increase in trade and other creditors	(940,416)	1,337,992
Cash generated from operations	<u>(706,991)</u>	<u>1,764,345</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31st December 2017

	31.12.17 £	1.1.17 £
Cash and cash equivalents	<u>277,309</u>	<u>1,236,412</u>

Year ended 31st December 2016

	31.12.16 £	1.1.16 £
Cash and cash equivalents	<u>1,236,412</u>	<u>359,971</u>

C F Struthers (Holdings) Limited (Registered number: 06835899)

Notes to the Consolidated Financial Statements

for the year ended 31st December 2017

1. STATUTORY INFORMATION

C F Struthers (Holdings) 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 General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standards 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Basis of consolidation

The consolidated financial statements include the financial statements of the company and all of its subsidiary undertakings made up to 31st December 2016. The results of companies acquired in the period are included from the effective date of acquiring control.

Turnover

When the outcome of long term contracts can be estimated reliably, contract costs and turnover are recognised by reference to the stage of completion at the balance sheet date. Stage of completion is measured by reference to costs incurred to date and estimated costs to complete. Where the outcome cannot be measured reliably, contract costs are recognised as an expense in the period in which they are incurred and contract turnover is recognised to the extent of costs incurred that it is probable will be recoverable. When it is probable that contract costs will exceed the total contract turnover, the expected loss is recognised as an expense immediately, with a corresponding provision.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2009, is being amortised evenly over its estimated useful life of five years.

Goodwill on consolidation represents the difference between the consideration paid and the fair value of the net assets acquired.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold property	- 2.5% on cost
Improvement to leasehold property	- 20% on cost
Plant and machinery etc	- 10% on cost
Fixtures and fittings	- 10% - 33.33% on cost
Motor Vehicles	- 25% on cost

Freehold property is valued by the directors using information available from professional valuations.

C F Struthers (Holdings) Limited (Registered number: 06835899)

Notes to the Consolidated Financial Statements - continued

for the year ended 31st December 2017

2. ACCOUNTING POLICIES - continued

Stocks

Stocks are stated 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 stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Contract work in progress is included in debtors stated at net realisable value. Cumulative turnover (i.e. the total turnover recorded in respect of the contract in the profit and loss accounts of all accounting periods since inception of the contract) is compared with total payments on account. If turnover exceeds payments on account an "amount recoverable on contracts" is established and separately disclosed within debtors. If payments on account are greater than turnover to date, the excess is classified within creditors.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 research and development is written off in the year in which it is incurred.

Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

Hire purchase and leasing commitments

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors. Minimum lease payments are apportioned between finance income and the reduction of the lease debtor with finance income allocated so as to produce a constant periodic rate of interest on the net investment in the finance lease. Rentals payable and receivable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

C F Struthers (Holdings) Limited (Registered number: 06835899)

Notes to the Consolidated Financial Statements - continued

for the year ended 31st December 2017

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service. The company operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Investments

The company's investments in subsidiary undertakings is stated at cost less provision for any impairment in value.

3. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company wholly within the UK. The total amount of contract revenue recognised in the period was £9,060,870 (2016 £8,175,390).

4. EMPLOYEES AND DIRECTORS

	2017 £	2016 £
Wages and salaries	3,020,237	2,177,287
Social security costs	340,552	230,463
Other pension costs	125,392	131,814
	<u>3,486,181</u>	<u>2,539,564</u>

The average number of employees during the year was as follows:

	2017	2016
Management	15	14
Manufacturing	66	58
	<u>81</u>	<u>72</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 81 (2016 - 72).

	2017 £	2016 £
Director's remuneration	36,417	32,631
Director's pension contributions to money purchase schemes	<u>16,500</u>	<u>18,000</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
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C F Struthers (Holdings) Limited (Registered number: 06835899)

Notes to the Consolidated Financial Statements - continued

for the year ended 31st December 2017

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2017	2016
	£	£
Depreciation - owned assets	67,013	58,546
Depreciation - assets on hire purchase contracts	37,001	37,826
Loss/(profit) on disposal of fixed assets	2,787	(10,362)
Auditors' remuneration	2,150	1,600
Auditors' remuneration for subsidiaries and other services	13,495	12,900
Operating lease rentals - Land and buildings	25,000	32,500
Operating lease rentals - Plant and machinery	<u>2,537</u>	<u>2,587</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	£	£
Bank interest	7,018	8,578
Other interest	8,570	8,743
Hire purchase interest	<u>2,657</u>	<u>4,925</u>
	<u>18,245</u>	<u>22,246</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2017	2016
	£	£
Current tax:		
UK corporation tax	79,667	205,498
Over/Under provision	<u>(55,867)</u>	<u>-</u>
Total current tax	23,800	205,498
Deferred tax	<u>(15,089)</u>	<u>25,505</u>
Tax on profit	<u>8,711</u>	<u>231,003</u>

C F Struthers (Holdings) Limited (Registered number: 06835899)

Notes to the Consolidated Financial Statements - continued

for the year ended 31st December 2017

7. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2017 £	2016 £
Profit before tax	<u>330,797</u>	<u>1,142,235</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2016 - 20%)	62,851	228,447
Effects of:		
Expenses not deductible for tax purposes	2,775	2,556
R&D refund	(55,867)	-
Change in tax rates	<u>(1,048)</u>	<u>-</u>
Total tax charge	<u>8,711</u>	<u>231,003</u>

8. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £100,000 (2016 £74,070).

9. DIVIDENDS

	2017 £	2016 £
Ordinary shares of £1 each		
Interim	<u>100,000</u>	<u>75,000</u>

10. INTANGIBLE FIXED ASSETS

Group

COST

At 1st January 2017
and 31st December 2017

Goodwill
£

97,685

AMORTISATION

At 1st January 2017
and 31st December 2017

97,685

NET BOOK VALUE

At 31st December 2017

-

At 31st December 2016

-

C F Struthers (Holdings) Limited (Registered number: 06835899)

Notes to the Consolidated Financial Statements - continued

for the year ended 31st December 2017

11. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Improvements to property £	Plant and machinery £
COST OR VALUATION			
At 1st January 2017	<u>2,095,000</u>	<u>69,408</u>	<u>1,100,222</u>
At 31st December 2017	<u>2,095,000</u>	<u>69,408</u>	<u>1,100,222</u>
DEPRECIATION			
At 1st January 2017	-	24,403	926,405
Charge for year	-	13,832	33,835
Eliminated on disposal	-	-	-
At 31st December 2017	-	<u>38,235</u>	<u>960,240</u>
NET BOOK VALUE			
At 31st December 2017	<u>2,095,000</u>	<u>31,173</u>	<u>139,982</u>
At 31st December 2016	<u>2,095,000</u>	<u>45,005</u>	<u>173,817</u>
	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1st January 2017	101,080	262,063	3,627,773
Additions	3,429	42,000	45,429
Disposals	-	(47,321)	(47,321)
At 31st December 2017	<u>104,509</u>	<u>256,742</u>	<u>3,625,881</u>
DEPRECIATION			
At 1st January 2017	84,361	108,668	1,143,837
Charge for year	9,713	46,634	104,014
Eliminated on disposal	-	(22,783)	(22,783)
At 31st December 2017	<u>94,074</u>	<u>132,519</u>	<u>1,225,068</u>
NET BOOK VALUE			
At 31st December 2017	<u>10,435</u>	<u>124,223</u>	<u>2,400,813</u>
At 31st December 2016	<u>16,719</u>	<u>153,395</u>	<u>2,483,936</u>

C F Struthers (Holdings) Limited (Registered number: 06835899)

Notes to the Consolidated Financial Statements - continued

for the year ended 31st December 2017

11. TANGIBLE FIXED ASSETS - continued

Group

Cost or valuation at 31st December 2017 is represented by:

	Freehold property £	Improvements to property £	Plant and machinery £
Valuation in 2012	313,699	-	-
Valuation in 2014	95,000	-	-
Cost	<u>1,686,301</u>	<u>69,408</u>	<u>1,100,222</u>
	<u>2,095,000</u>	<u>69,408</u>	<u>1,100,222</u>

	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2012	-	-	313,699
Valuation in 2014	-	-	95,000
Cost	<u>104,509</u>	<u>256,742</u>	<u>3,217,182</u>
	<u>104,509</u>	<u>256,742</u>	<u>3,625,881</u>

If Freehold property had not been revalued it would have been included at the following historical cost:

	2017 £	2016 £
Cost	<u>1,686,301</u>	<u>1,686,301</u>
Aggregate depreciation	<u>568,520</u>	<u>526,363</u>

Freehold property was valued on an open market basis on 31st December 2017 by the directors.

The valuation was based on a previous valuation undertaken by Clark Weightman Limited. A valuation has taken place since the year end by Clark Weightman Limited which confirms there has been no change in valuation.

C F Struthers (Holdings) Limited (Registered number: 06835899)

Notes to the Consolidated Financial Statements - continued

for the year ended 31st December 2017

11. TANGIBLE FIXED ASSETS - continued

Group

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1st January 2017	55,410	122,771	178,181
Additions	-	42,000	42,000
Disposals	-	(34,640)	(34,640)
Transfer to ownership	<u>(32,250)</u>	<u>-</u>	<u>(32,250)</u>
At 31st December 2017	<u>23,160</u>	<u>130,131</u>	<u>153,291</u>
DEPRECIATION			
At 1st January 2017	15,465	19,236	34,701
Charge for year	5,541	31,460	37,001
Eliminated on disposal	-	(10,103)	(10,103)
Transfer to ownership	<u>(12,900)</u>	<u>-</u>	<u>(12,900)</u>
At 31st December 2017	<u>8,106</u>	<u>40,593</u>	<u>48,699</u>
NET BOOK VALUE			
At 31st December 2017	<u>15,054</u>	<u>89,538</u>	<u>104,592</u>
At 31st December 2016	<u>39,945</u>	<u>103,535</u>	<u>143,480</u>

12. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1st January 2017 and 31st December 2017	<u>1,200,986</u>
NET BOOK VALUE	
At 31st December 2017	<u>1,200,986</u>
At 31st December 2016	<u>1,200,986</u>

C F Struthers (Holdings) Limited (Registered number: 06835899)

Notes to the Consolidated Financial Statements - continued for the year ended 31st December 2017

12. FIXED ASSET INVESTMENTS - continued

Details of subsidiary undertakings at the year end are as follows:

Name of company	Proportion of shares held	Nature of business
*C F Struthers (Hull) Limited	100%	Intermediate holding company
C F Struthers Limited	100%	Fabrication engineers

*Shares of the undertaking are held directly by the company.

C F Struthers (Hull) Limited owns 100% of the share capital of C F Struthers Limited.

All of the companies are incorporated in England and Wales and all holdings are of ordinary shares.

13. STOCKS

	Group	
	2017 £	2016 £
Raw materials	<u>65,852</u>	<u>49,547</u>

Stock recognised in cost of sales during the year as an expense was £3,350,090 (2016 £3,385,024).

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	2,606,177	1,278,080	-	-
Amounts owed by group undertakings	-	-	115,000	115,000
Amounts recoverable on long term contracts	504,353	1,635,779	-	-
Other debtors	8,671	13,348	-	-
Prepayments	<u>39,385</u>	<u>25,472</u>	-	-
	<u>3,158,586</u>	<u>2,952,679</u>	<u>115,000</u>	<u>115,000</u>

C F Struthers (Holdings) Limited (Registered number: 06835899)

Notes to the Consolidated Financial Statements - continued

for the year ended 31st December 2017

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts (see note 17)	90,000	90,000	-	-
Hire purchase contracts (see note 18)	43,776	40,930	-	-
Payments on account	408,000	1,175,896	-	-
Trade creditors	1,296,886	1,327,859	-	-
Amounts owed to group undertakings	-	-	666,693	666,693
Corporation tax	232,307	205,498	-	-
Social security and other taxes	321,953	482,768	-	-
Other creditors	23,766	102,058	-	-
Accruals and deferred income	265,553	167,994	1,500	1,500
	<u>2,682,241</u>	<u>3,593,003</u>	<u>668,193</u>	<u>668,193</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2017	2016
	£	£
Bank loans (see note 17)	82,500	172,500
Hire purchase contracts (see note 18)	33,235	59,484
	<u>115,735</u>	<u>231,984</u>

17. LOANS

An analysis of the maturity of loans is given below:

	Group	
	2017	2016
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>90,000</u>	<u>90,000</u>
Amounts falling due between one and two years:		
Bank loans	<u>82,500</u>	<u>90,000</u>
Amounts falling due between two and five years:		
Bank loans	<u>-</u>	<u>82,500</u>

The bank loan is repayable in monthly instalments of £7,500. Both loans bear interest at a commercial rate.

C F Struthers (Holdings) Limited (Registered number: 06835899)

Notes to the Consolidated Financial Statements - continued
for the year ended 31st December 2017

18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2017	2016
	£	£
Gross obligations repayable:		
Within one year	46,142	44,651
Between one and five years	33,988	61,476
	80,130	106,127
Finance charges repayable:		
Within one year	2,366	3,721
Between one and five years	753	1,992
	3,119	5,713
Net obligations repayable:		
Within one year	43,776	40,930
Between one and five years	33,235	59,484
	77,011	100,414

Group

	Non-cancellable operating leases	
	2017	2016
	£	£
Within one year	27,544	28,837
Between one and five years	52,500	80,044
	80,044	108,881

19. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2017	2016
	£	£
Bank loans	172,500	262,500
Hire purchase contracts	77,011	100,414
	249,511	362,914

The bank holds the following securities over the above bank loans and overdraft:

- First legal charge over the company's premises known as Millennium Works, Valletta Street, Hull.
- Debenture creating a fixed and floating charge over all present and future assets of the company.

C F Struthers (Holdings) Limited (Registered number: 06835899)

Notes to the Consolidated Financial Statements - continued
for the year ended 31st December 2017

20. PROVISIONS FOR LIABILITIES

	Group	
	2017	2016
	£	£
Deferred tax:		
Accelerated capital allowances	25,229	40,506
Short term timing differences	1,049	861
	<u>26,278</u>	<u>41,367</u>

Group

	Deferred tax
	£
Balance at 1st January 2017	41,367
Profit and loss account	(15,089)
Balance at 31st December 2017	<u>26,278</u>

The component parts of the deferred tax liability are: accelerated capital allowances £28,316 and short term timing differences £2,038 (2016: £44,454 and £3,087 respectively).

The expected net reversal of deferred tax assets and liabilities in 2018 is £11,816. This primarily relates to the reversal of timing differences on acquired tangible assets and capital allowances through depreciation.

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2017	2016
Number:	Class:		£	£
60,000	Ordinary shares	£1	<u>60,000</u>	<u>60,000</u>

22. RESERVES

Group

	Retained earnings	Share premium	Revaluation reserve	Totals
	£	£	£	£
At 1st January 2017	1,489,790	540,000	766,430	2,796,220
Profit for the year	322,086	-	-	322,086
Dividends	(100,000)	-	-	(100,000)
At 31st December 2017	<u>1,711,876</u>	<u>540,000</u>	<u>766,430</u>	<u>3,018,306</u>

C F Struthers (Holdings) Limited (Registered number: 06835899)

Notes to the Consolidated Financial Statements - continued
for the year ended 31st December 2017

22. RESERVES - continued

Company

	Retained earnings £	Share premium £	Totals £
At 1st January 2017	47,793	540,000	587,793
Profit for the year	100,000	-	100,000
Dividends	(100,000)	-	(100,000)
At 31st December 2017	<u>47,793</u>	<u>540,000</u>	<u>587,793</u>

Share Premium account

The share premium account represents the premium arising on the issue of shares net of issue costs.

Revaluation Reserve

The revaluation reserve represents the cumulative effect of revaluations of tangible fixed assets where a policy of revaluation has been adopted.

Retained earnings

Retained earnings represents cumulative profits and losses net of dividends and other adjustments.

23. PENSION COMMITMENTS

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The charge in the accounts in respect of pensions represents contributions payable by the company to the fund and amounted to £125,392 (2016 £131,814). Contributions of £10,728 were outstanding at 31st December 2017 (2016 £18,304).

24. RELATED PARTY DISCLOSURES

Key management personnel of the entity or its parent (in the aggregate)

	2017 £	2016 £
Amount due to related party	<u>23,766</u>	<u>102,058</u>

Other related parties

	2017 £	2016 £
Sales	6,172,887	7,420,228
Amount due from related party	<u>2,618,695</u>	<u>1,190,509</u>

During the year, a total of key management personnel compensation of £156,138 (2016 - £216,917) was paid.

25. ULTIMATE CONTROLLING PARTY

At 31st December 2017, the company was controlled by N Burton who owns 100% of the ordinary shares in the company.