

W.A.C. McCandless (Engineers) Limited
FILLETED FINANCIAL STATEMENTS
31 DECEMBER 2016

THURSDAY



J6EH7WM0

JNI

07/09/2017

#164

COMPANIES HOUSE

GMcG PORTADOWN
Chartered Accountants & Statutory Auditor
17 Mandeville Street
Portadown
Craigavon
Co Armagh
BT62 3PB

W.A.C. McCandless (Engineers) Limited

FINANCIAL STATEMENTS

Year ended 31 December 2016

CONTENTS	PAGES
Officers and Professional Advisers	1
Directors' Responsibilities Statement	2
Statement of Financial Position	3
Notes to the Financial Statements	4 to 10

W.A.C. McCandless (Engineers) Limited

OFFICERS AND PROFESSIONAL ADVISERS

The Board of Directors

Mr William S Gibson
Mr John E Gibson
Mrs Pamela M Fisher
Mrs Dorothea E Stevenson
Mrs Rosemary Gerring
Mr Ciaran Carvill
Mr Justin Gerring

Company Secretary

Mr William S Gibson

Registered Office

95 Limestone Road
Belfast
BT15 3AB

Auditor

GMcG Portadown
Chartered Accountants & Statutory Auditor
17 Mandeville Street
Portadown
Craigavon
Co Armagh
BT62 3PB

Bankers

Danske Bank
45-48 High Street
Portadown
Craigavon
Co Armagh
BT62 1LB

W.A.C. McCandless (Engineers) Limited

DIRECTORS' RESPONSIBILITIES STATEMENT

Year ended 31 December 2016

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

W.A.C. McCandless (Engineers) Limited

STATEMENT OF FINANCIAL POSITION

31 December 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Tangible assets	7	<u>90,508</u>	<u>89,165</u>
CURRENT ASSETS			
Stocks	8	1,922,422	1,996,868
Debtors	9	945,819	523,513
Cash at bank and in hand		<u>750,784</u>	<u>581,864</u>
		3,619,025	3,102,245
CREDITORS: amounts falling due within one year	10	(984,513)	(465,161)
NET CURRENT ASSETS		<u>2,634,512</u>	<u>2,637,084</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,725,020	2,726,249
PROVISIONS			
Taxation including deferred tax		<u>(7,440)</u>	<u>(9,036)</u>
NET ASSETS		<u>2,717,580</u>	<u>2,717,213</u>
CAPITAL AND RESERVES			
Called up share capital	11	111,100	111,100
Share premium account	12	155,400	155,400
Profit and loss account	12	<u>2,451,080</u>	<u>2,450,713</u>
MEMBERS' FUNDS		<u>2,717,580</u>	<u>2,717,213</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

These financial statements were approved by the board of directors and authorised for issue on 6 June 2017, and are signed on behalf of the board by:



Mr Ciaran Carvill
Director

Company registration number: NI005177

The notes on pages 4 to 10 form part of these financial statements.

W.A.C. McCandless (Engineers) Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2016

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in Northern Ireland. The address of the place of business and registered office is 95 Limestone Road, Belfast, BT15 3AB.

2. STATEMENT OF COMPLIANCE

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

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 16.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

Stock - Goods and products for resale are included in stock at the lower of cost and net realisable value. Net realisable value of such stock require a degree of estimation.

Debtors - short term debtors are measured at transaction price, less any impairment. Impairment of such debtors involves some estimation uncertainty.

Warranty provision - an estimate is made for amounts recoverable from the manufacturer in respect of warranty claims. It is made based on prior experience dealing with such claims.

W.A.C. McCandless (Engineers) Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2016

3. ACCOUNTING POLICIES *(continued)*

Revenue recognition

Revenue derived from the provision of goods and services falling within the company's ordinary activities is recognised, net of value added tax, on the date of provision of the goods or services.

Other operating income is recognised in respect of the period to which it relates.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

W.A.C. McCandless (Engineers) Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2016

3. ACCOUNTING POLICIES *(continued)*

Depreciation

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

Land and buildings	- 4% per annum straight line
Plant and machinery	- 25% per annum straight line
Fixtures and fittings	- 25% per annum reducing balance
Motor vehicles	- 25% per annum reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Stocks

Stocks have been valued at the lower of cost and net realisable value. Cost is defined as the total cost of bringing the stock to its current location and condition. Net realisable value is defined as the expected market price of the stock item concerned.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

W.A.C. McCandless (Engineers) Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2016

3. ACCOUNTING POLICIES *(continued)*

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. EMPLOYEE NUMBERS

The average number of persons employed by the company during the year, including the directors, amounted to 34 (2015: 28).

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services was:

	2016	2015
	£	£
Remuneration	32,000	32,559
Company contributions to defined contribution pension plans	2,560	2,739
	<u>34,560</u>	<u>35,298</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2016	2015
	No.	No.
Defined contribution plans	<u>1</u>	<u>1</u>

6. DIVIDENDS

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2016	2015
	£	£
Dividends on equity shares	<u>250,551</u>	<u>250,551</u>

W.A.C. McCandless (Engineers) Limited**NOTES TO THE FINANCIAL STATEMENTS** *(continued)***Year ended 31 December 2016****7. TANGIBLE ASSETS**

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2016	286,256	109,122	164,580	171,720	731,678
Additions	—	—	708	27,750	28,458
Disposals	—	—	—	(40,403)	(40,403)
At					
31 December 2016	<u>286,256</u>	<u>109,122</u>	<u>165,288</u>	<u>159,067</u>	<u>719,733</u>
Depreciation					
At 1 January 2016	286,256	107,869	150,200	98,188	642,513
Charge for the year	—	313	3,616	18,654	22,583
Disposals	—	—	—	(35,871)	(35,871)
At					
31 December 2016	<u>286,256</u>	<u>108,182</u>	<u>153,816</u>	<u>80,971</u>	<u>629,225</u>
Carrying amount					
At					
31 December 2016	<u>—</u>	<u>940</u>	<u>11,472</u>	<u>78,096</u>	<u>90,508</u>
At 31 December 2015	<u>—</u>	<u>1,253</u>	<u>14,380</u>	<u>73,532</u>	<u>89,165</u>

8. STOCKS

	2016 £	2015 £
Work in progress	16,270	11,406
Finished goods and goods for resale	1,906,152	1,985,462
	<u>1,922,422</u>	<u>1,996,868</u>

9. DEBTORS

	2016 £	2015 £
Trade debtors	862,934	421,293
Other debtors	82,885	102,220
	<u>945,819</u>	<u>523,513</u>

W.A.C. McCandless (Engineers) Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2016

10. CREDITORS: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	818,002	240,701
Corporation tax	50,997	6,274
Social security and other taxes	26,554	56,891
Other creditors	88,960	161,295
	<u>984,513</u>	<u>465,161</u>

Bank guarantees of £10,000 and an advance payment guarantee of £9,533 have been given to HM Revenue & Customs.

The company also has a letter of credit for £140,000, a domestic guarantee for £20,000 and a domestic guarantee for £9,532.

11. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>111,100</u>	<u>111,100</u>	<u>111,100</u>	<u>111,100</u>

12. RESERVES

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account - This reserve records retained earnings and accumulated losses.

13. SUMMARY AUDIT OPINION

The auditor's report for the year dated 6 June 2017 was unqualified.

The senior statutory auditor was Mr Stuart McDonald FCA, for and on behalf of GMcG Portadown.

W.A.C. McCandless (Engineers) Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2016

14. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

During the year the following dividends were paid to the directors and close family members of the directors:

	£
Mrs Mandy Gibson	48,501
Mrs Pamela M Fisher	48,498
Mrs Dorothea E Stevenson	48,501
Mrs Rosemary Gerring	72,750
Mr Ciaran Carvill	32,301

15. RELATED PARTY TRANSACTIONS

Gibson Bros Limited is a company connected by means of common directorships, shareholdings and control.

The company made sales in the ordinary course of business during the year of £513,339 (2015 - £356,563) to Gibson Bros Limited. These were in the ordinary course of business.

The balance owed by Gibson Bros Limited to the company at the year end was £14,689 (2015 - £37,917).

T.H. Moore (Contracts) Limited is a company connected by means of common directorship, shareholdings and control.

The company made sales in the ordinary course of business during the year of £282,949 (2015 - £52,329) to TH Moore (Contracts) Limited.

The balance owing by T.H. Moore (Contracts) Limited as at the year end was £1,341 (2015 - £6,902).

The property from which the company trades is owned by directors Mrs Rose Gerring, Mr John E Gibson, Mrs Pamela M Fisher and Mrs Dorothea E Stevenson.

Rent paid by the company in respect of this property amounted to £40,018 (2015 - £40,027).

16. TRANSITION TO FRS 102

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

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