

SPA LAMINATES LIMITED

UNAUDITED
FINANCIAL STATEMENTS

31 MARCH 2018



ArmstrongWatson[®]
Accountants, Business & Financial Advisers

SPA LAMINATES LIMITED
REGISTERED NUMBER: 01188511

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Note	2018 £	As restated 2017 £
Fixed assets			
Tangible assets	5	1,235,833	1,278,333
		<u>1,235,833</u>	<u>1,278,333</u>
Current assets			
Stocks	6	439,318	414,233
Debtors: amounts falling due within one year	7	502,624	908,349
Cash at bank and in hand		481,868	185,284
		<u>1,423,810</u>	<u>1,507,866</u>
Creditors: amounts falling due within one year	8	(446,997)	(628,661)
Net current assets		<u>976,813</u>	<u>879,205</u>
Total assets less current liabilities		<u>2,212,646</u>	<u>2,157,538</u>
Creditors: amounts falling due after more than one year	9	(357,719)	(410,651)
Provisions for liabilities			
Deferred tax	12	(191,495)	(145,295)
		<u>(191,495)</u>	<u>(145,295)</u>
Net assets		<u><u>1,663,432</u></u>	<u><u>1,601,592</u></u>

SPA LAMINATES LIMITED
REGISTERED NUMBER: 01188511

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Capital and reserves			
Called up share capital		1,501	1,501
Revaluation reserve	13	-	693,050
Other non-distributable reserves	13	683,005	-
Other reserves	13	1,499	1,499
Profit and loss account		977,427	905,542
		<u>1,663,432</u>	<u>1,601,592</u>

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.

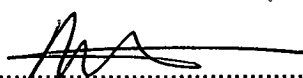
The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

 19/12/18.

M Forster
Director

 19/12/18

A Williamson
Director

The notes on pages 3 to 14 form part of these financial statements.

SPA LAMINATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. General information

The Company is a limited liability company incorporated and registered in England and Wales. It trades from its registered address at 59 Pepper Road, Leeds, West Yorkshire, LS10 2TH.

The principal activity of the Company is the specialist manufacture of veneer and laminate.

These financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the Company operates.

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 judgement in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 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.

SPA LAMINATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Freehold property	-	2% straight line
Plant and machinery	-	15% reducing balance basis
Motor vehicles	✓ -	25% reducing balance basis
Fixtures and fittings	-	10% reducing balance basis

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.

2.4 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of financial position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.5 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.

2.6 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.

2.7 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.

SPA LAMINATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.8 Financial instruments

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

2.9 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.

2.10 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.

2.11 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.

2.12 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.

2.13 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.

2.14 Interest income

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

2.15 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

SPA LAMINATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

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.

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. Employees

The average monthly number of employees, including directors, during the year was 10 (2017 - 10).

SPA LAMINATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

4. Taxation

	31 March 2018 £	16 month 31 March 2017 £
Corporation tax		
Current tax on profits for the year	(6,779)	-
	<u>(6,779)</u>	<u>-</u>
Total current tax	<u>(6,779)</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	46,200	1,600
Total deferred tax	<u>46,200</u>	<u>1,600</u>
Taxation on profit on ordinary activities	<u>39,421</u>	<u>1,600</u>

Factors affecting tax charge for the year/period

There were no factors that affected the tax charge for the year/period which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19% (2017 - 20%).

SPA LAMINATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

5. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 April 2017	1,000,000	977,873	23,015	90,229	2,091,117
Additions	-	26,810	-	-	26,810
Disposals	-	(7,464)	-	-	(7,464)
At 31 March 2018	<u>1,000,000</u>	<u>997,219</u>	<u>23,015</u>	<u>90,229</u>	<u>2,110,463</u>
Depreciation					
At 1 April 2017	67,923	659,562	21,485	63,814	812,784
Charge for the year on owned assets	14,000	49,172	383	2,642	66,197
Disposals	-	(4,351)	-	-	(4,351)
At 31 March 2018	<u>81,923</u>	<u>704,383</u>	<u>21,868</u>	<u>66,456</u>	<u>874,630</u>
Net book value					
At 31 March 2018	<u><u>918,077</u></u>	<u><u>292,836</u></u>	<u><u>1,147</u></u>	<u><u>23,773</u></u>	<u><u>1,235,833</u></u>
At 31 March 2017	<u><u>932,077</u></u>	<u><u>318,311</u></u>	<u><u>1,530</u></u>	<u><u>26,415</u></u>	<u><u>1,278,333</u></u>

Included in Freehold property is freehold land at valuation of £300,000 (2017 - £300,000) which is not depreciated.

SPA LAMINATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

5. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £	2017 £
Plant and machinery	111,234	130,863
	<u>111,234</u>	<u>130,863</u>

Cost or valuation at 31 March 2018 is as follows:

	Land and buildings £
At cost	197,724
At valuation: 23 January 2014 on an open market value basis	802,276
	<u>1,000,000</u>

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2018 £	2017 £
Cost	197,724	197,724
Accumulated depreciation	(115,746)	(111,792)
Net book value	<u>81,978</u>	<u>85,932</u>

SPA LAMINATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

6. Stocks

	2018 £	2017 £
Raw materials and consumables	439,318	414,233
	<u>439,318</u>	<u>414,233</u>

7. Debtors

	2018 £	2017 £
Trade debtors	453,796	873,591
Other debtors	26,763	20,298
Prepayments and accrued income	22,065	14,460
	<u>502,624</u>	<u>908,349</u>

8. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank loans	25,737	25,737
Trade creditors	328,514	463,170
Corporation tax	-	1,305
Other taxation and social security	51,397	75,823
Obligations under finance lease and hire purchase contracts	28,000	44,750
Other creditors	-	15
Accruals and deferred income	13,349	17,861
	<u>446,997</u>	<u>628,661</u>

The following liabilities were secured:

	2018 £	2017 £
Bank loans	25,737	25,737
Obligations under finance lease and hire purchase contracts	28,000	44,750
	<u>53,737</u>	<u>70,487</u>

SPA LAMINATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

9. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Bank loans	357,719	381,255
Net obligations under finance leases and hire purchase contracts	-	29,396
	<u>357,719</u>	<u>410,651</u>

The following liabilities were secured:

	2018 £	2017 £
Bank loans	357,719	381,255
Net obligations under finance leases and hire purchase contracts	-	29,396
	<u>357,719</u>	<u>410,651</u>

The aggregate amount of liabilities repayable wholly or in part more than five years after the balance sheet date is:

	2018 £	2017 £
Repayable by instalments	247,568	271,104
	<u>247,568</u>	<u>271,104</u>

SPA LAMINATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

10. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year		
Bank loans	25,737	25,737
	<u>25,737</u>	<u>25,737</u>
Amounts falling due 1-2 years		
Bank loans	26,438	26,438
	<u>26,438</u>	<u>26,438</u>
Amounts falling due 2-5 years		
Bank loans	83,713	83,713
	<u>83,713</u>	<u>83,713</u>
Amounts falling due after more than 5 years		
Bank loans	247,568	271,104
	<u>247,568</u>	<u>271,104</u>
	<u><u>383,456</u></u>	<u><u>406,992</u></u>

11. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	28,000	44,750
Between 1-5 year	-	29,396
	<u>28,000</u>	<u>74,146</u>

SPA LAMINATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

12. Deferred taxation

	2018 £	2017 £
At beginning of year	(145,295)	(145,295)
Charged to profit or loss	(46,200)	-
At end of year	(191,495)	(145,295)

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(38,400)	7,800
Deferred tax on revaluations	(153,095)	(153,095)
	(191,495)	(145,295)

13. Reserves

Revaluation reserve

The reserve arises on the revaluation of the Company's freehold properties. Deferred tax is provided on the reserve at the applicable statement of financial position taxation rates.

Non-distributable reserve

This reserve represents the non-distributable element of reserves and represents amounts transferred from the revaluation reserve.

Other reserves

This reserve arises on the repurchase of the share capital of the Company from the shareholders and records the nominal value of the shares repurchased.

14. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £11,877 (2017 - £16,886).

15. First time adoption of FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 November 2015. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 November 2015

Note	£
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SPA LAMINATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

15. First time adoption of FRS 102 (continued)

Equity at 1 November 2015 under previous UK GAAP	1,694,127
Deferred tax on revaluation reserve	(153,095)
Equity shareholders funds at 1 November 2015 under FRS 102	1,541,032

Reconciliation of equity at 31 March 2017

	Note	£
Equity at 31 March 2017 under previous UK GAAP		1,754,687
Deferred tax on revaluation reserve		(153,095)
Equity shareholders funds at 31 March 2017 under FRS 102		1,601,592

Reconciliation of profit and loss account for the period ended 31 March 2017

	£
Profit for the year under previous UK GAAP	289,343
Profit for the year ended 31 March 2017 under FRS 102	289,343

Under previously extant UK GAAP there was no requirement to recognise a deferred tax liability on upward revaluations of tangible fixed assets, with a tax charge instead realised at the point of sale of the relevant asset. Under FRS 102 there is now a requirement to book a deferred tax charge when the revaluation is recognised.

The deferred tax liability recognised was calculated as 17% (being the applicable rate of tax from 2020 onwards - sale of the property is considered extremely unlikely before this period) of the total revaluation reserve, which previously totalled £900,558 at 1 November 2015.

The impact on deferred tax as a result of the above adjustment was an increase in the deferred tax liability at 1 November 2015 of £153,095 and a corresponding decrease in the revaluation reserve at the same date. The same adjustments applied at 31 March 2017.