

Company Registration No. 1477042 (England and Wales)

ENGINEERING AND FOUNDRY SUPPLIES (COLNE) LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

PAGES FOR FILING WITH REGISTRAR

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ENGINEERING AND FOUNDRY SUPPLIES (COLNE) LIMITED

BALANCE SHEET

AS AT 30 APRIL 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	4		100,670		102,828
Current assets					
Stocks		153,393		143,079	
Debtors	5	255,853		242,957	
Cash at bank and in hand		87,730		96,740	
		<u>496,976</u>		<u>482,776</u>	
Creditors: amounts falling due within one year	6	<u>(236,866)</u>		<u>(203,747)</u>	
Net current assets			260,110		279,029
Total assets less current liabilities			<u>360,780</u>		<u>381,857</u>
Creditors: amounts falling due after more than one year	7		(309)		(4,097)
Provisions for liabilities			<u>(15,000)</u>		<u>(19,000)</u>
Net assets			<u>345,471</u>		<u>358,760</u>
Capital and reserves					
Called up share capital	8		12,538		12,538
Profit and loss reserves			<u>332,933</u>		<u>346,222</u>
Total equity			<u>345,471</u>		<u>358,760</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 April 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

ENGINEERING AND FOUNDRY SUPPLIES (COLNE) LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 APRIL 2019

The financial statements were approved by the board of directors and authorised for issue on 9 January 2020 and are signed on its behalf by:

Mr S M Frost
Director

Company Registration No. 1477042

ENGINEERING AND FOUNDRY SUPPLIES (COLNE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

Company information

Engineering and Foundry Supplies (Colne) Limited is a private company limited by shares incorporated in England and Wales. The registered office is St Crispin House, St Crispin Way, Haslingden, Rossendale, Lancashire, BB4 4PW.

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 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.

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.

1.3 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated 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 3 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.

1.4 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.

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:

Freehold land and buildings	4% straight line
Leasehold property improvements	10% straight line
Plant and equipment	15% reducing balance / 33% straight line
Motor vehicles	25% reducing balance

ENGINEERING AND FOUNDRY SUPPLIES (COLNE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

(Continued)

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.

1.5 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. 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.

1.6 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, 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.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand.

1.8 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.

ENGINEERING AND FOUNDRY SUPPLIES (COLNE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

(Continued)

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.

Basic financial liabilities

Basic financial liabilities, including creditors 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.

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.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

ENGINEERING AND FOUNDRY SUPPLIES (COLNE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

(Continued)

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 21 (2018 - 19).

3 Intangible fixed assets

Goodwill
£

Cost

At 1 May 2018 and 30 April 2019

5,000

Amortisation and impairment

At 1 May 2018 and 30 April 2019

5,000

Carrying amount

At 30 April 2019

-

At 30 April 2018

-

ENGINEERING AND FOUNDRY SUPPLIES (COLNE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

4 Tangible fixed assets

	Freehold land and buildings	Leasehold property improvements	Plant and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 May 2018	54,623	11,431	137,629	86,970	290,653
Additions	-	4,552	7,381	10,250	22,183
Disposals	-	-	-	(17,500)	(17,500)
At 30 April 2019	54,623	15,983	145,010	79,720	295,336
Depreciation and impairment					
At 1 May 2018	40,931	6,924	84,062	55,908	187,825
Depreciation charged in the year	1,218	1,014	12,847	8,785	23,864
Eliminated in respect of disposals	-	-	-	(17,023)	(17,023)
At 30 April 2019	42,149	7,938	96,909	47,670	194,666
Carrying amount					
At 30 April 2019	12,474	8,045	48,101	32,050	100,670
At 30 April 2018	13,692	4,507	53,567	31,062	102,828

5 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	247,341	227,790
Other debtors	8,512	15,167
	<u>255,853</u>	<u>242,957</u>

6 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	192,142	153,973
Corporation tax	2,850	7,000
Other taxation and social security	20,483	23,394
Other creditors	21,391	19,380
	<u>236,866</u>	<u>203,747</u>

Included within other creditors is an amount of £3,788 (2018 - £7,769) relating to hire purchase liabilities, which are secured on the assets to which they relate.

ENGINEERING AND FOUNDRY SUPPLIES (COLNE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

7 Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Other creditors	309	4,097
	<u>309</u>	<u>4,097</u>

Included within other creditors is an amount of £309 (2018 - £4,097) relating to hire purchase liabilities, which are secured on the assets to which they relate.

8 Called up share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
8,777 Ordinary A shares of £1 each	8,777	8,777
2,507 Ordinary B shares of £1 each	2,507	2,507
627 Ordinary C shares of £1 each	627	627
627 Ordinary D shares of £1 each	627	627
	<u>12,538</u>	<u>12,538</u>

9 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:

	2019	2018
	£	£
	188,125	209,625
	<u>188,125</u>	<u>209,625</u>

10 Related party transactions

Transactions with related parties

During the year, the company paid rent to the directors' pension scheme, Engineering and Foundry Pension Scheme, totalling £21,500 (2018 - £15,354).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.