

Registration number: 00807879

Fred Smith & Sons (Motor Bodies) Limited

Annual Report and Financial Statements

for the Year Ended 30 June 2017

Ian Richmond Limited
Chartered Accountants
Chapel Ash House
6 Compton Road
Wolverhampton
West Midlands
WV3 9PH



Fred Smith & Sons (Motor Bodies) Limited

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Fred Smith & Sons (Motor Bodies) Limited

Company Information

Directors	Mr Robert Smith
	Mrs Emma Cottam
	Mr Martin John Smith
	Mr James Smith
	Mr Gregory Frederick Smith
	Mr Clarke Smith
Company secretary	Mr James Smith

Registered office Sams Lane
West Bromwich
West Midlands
B70 7EG

Auditors Ian Richmond Limited
Chartered Accountants
Chapel Ashh House
6 Compton Road
Wolverhampton
West Midlands
WV3 9PH

Fred Smith & Sons (Motor Bodies) Limited

Strategic Report for the Year Ended 30 June 2017

The directors present their strategic report for the year ended 30 June 2017.

Principal activity

The principal activity of the company is that of motor body builders, repairers and assemblers and short term hire of commercial vehicles.

Fair review of the business

The Directors consider trading performance in the year to be good. The financial position at the year end was considered satisfactory and the Directors anticipate similar performance to be maintained going forward.

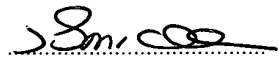
The company's key financial and other performance indicators during the year were as follows:

	Unit	2017	2016
Turnover	£000	8,661	8,879
Gross Profit	%	25	27
Operating Profit	£000	345	463

Principal risks and uncertainties

The company continues to recognise areas of risk to the business, in particular compliance with laws and regulations is a significant risk to the business. The company is always looking at ways to minimise these risks and investment in this area is given priority.

Approved by the Board on 16 November 2017 and signed on its behalf by:



Mr James Smith
Company secretary and director

Fred Smith & Sons (Motor Bodies) Limited

Directors' Report for the Year Ended 30 June 2017

The directors present their report and the financial statements for the year ended 30 June 2017.

Directors of the company

The directors who held office during the year were as follows:

Mr Robert Smith

Mrs Emma Cottam

Mr Martin John Smith

Mr James Smith - Company secretary and director

Mr Gregory Frederick Smith

Mr Clarke Smith

Financial instruments

Objectives and policies

The company's operations expose it to a variety of financial risks and the Directors seek to limit any adverse effects on the financial performance by monitoring the levels of debt finance and liquidity and the related costs.

Price risk, credit risk, liquidity risk and cash flow risk

Price Risk

The company is not significantly exposed to price risk as the majority of the work is short term and quoted for on a job by job basis.

Credit Risk

The company has implemented policies that require appropriate credit and finance checks on customers before sales are made and operate within set limits for the majority of customers.

Liquidity Risk

The company aims to mitigate liquidity risk by maintaining liquid funds within the business at all times by utilising a mixture of finance options within the business.

Interest Rate Cash Flow Risk

The company is not exposed to any significant interest rate risk since the majority of their debt is on a fixed rate basis.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 16 November 2017 and signed on its behalf by:



Mr James Smith

Company secretary and director

Fred Smith & Sons (Motor Bodies) Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 of 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Fred Smith & Sons (Motor Bodies) Limited

Independent Auditor's Report to the Members of Fred Smith & Sons (Motor Bodies) Limited

Opinion

We have audited the financial statements of Fred Smith & Sons (Motor Bodies) Limited (the 'company') for the year ended 30 June 2017, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and 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).

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 an auditor's report 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company'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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Fred Smith & Sons (Motor Bodies) Limited

Independent Auditor's Report to the Members of Fred Smith & Sons (Motor Bodies) Limited

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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 matter 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 4], the directors are 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 directors determine is 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report 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.

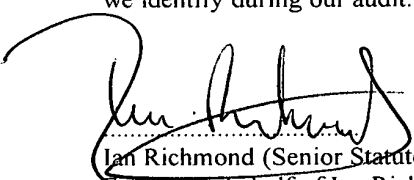
As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Fred Smith & Sons (Motor Bodies) Limited

Independent Auditor's Report to the Members of Fred Smith & Sons (Motor Bodies) Limited

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ian Richmond (Senior Statutory Auditor)

For and on behalf of Ian Richmond Limited, Statutory Auditor

Chapel Ash House
6 Compton Road
Wolverhampton
West Midlands
WV3 9PH

16 November 2017

Fred Smith & Sons (Motor Bodies) Limited

Profit and Loss Account for the Year Ended 30 June 2017

	Note	2017 £	2016 £
Turnover	3	8,660,941	8,879,287
Cost of sales		<u>(6,478,391)</u>	<u>(6,487,223)</u>
Gross profit		2,182,550	2,392,064
Administrative expenses		<u>(1,837,509)</u>	<u>(1,929,131)</u>
Operating profit	5	<u>345,041</u>	<u>462,933</u>
Other interest receivable and similar income	6	380	5
Interest payable and similar expenses	7	<u>(81,761)</u>	<u>(88,169)</u>
		<u>(81,381)</u>	<u>(88,164)</u>
Profit before tax		263,660	374,769
Taxation	11	<u>(30,930)</u>	<u>(109,233)</u>
Profit for the financial year		<u><u>232,730</u></u>	<u><u>265,536</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

Fred Smith & Sons (Motor Bodies) Limited

Statement of Comprehensive Income for the Year Ended 30 June 2017

	2017	2016
	£	£
Profit for the year	<u>232,730</u>	<u>265,536</u>
Total comprehensive income for the year	<u><u>232,730</u></u>	<u><u>265,536</u></u>

The notes on pages 13 to 24 form an integral part of these financial statements.

Fred Smith & Sons (Motor Bodies) Limited

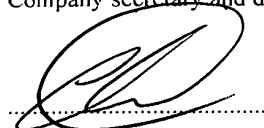
**(Registration number: 00807879)
Balance Sheet as at 30 June 2017**

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	12	6,354,517	6,060,928
Other financial assets	13	<u>7,000</u>	<u>14,000</u>
		<u>6,361,517</u>	<u>6,074,928</u>
Current assets			
Stocks	14	263,060	240,857
Debtors	15	1,763,267	2,023,201
Cash at bank and in hand		<u>814,117</u>	<u>760,675</u>
		2,840,444	3,024,733
Creditors: Amounts falling due within one year	17	<u>(4,195,103)</u>	<u>(4,143,263)</u>
Net current liabilities		<u>(1,354,659)</u>	<u>(1,118,530)</u>
Total assets less current liabilities		5,006,858	4,956,398
Creditors: Amounts falling due after more than one year	17	(1,499,118)	(1,676,388)
Provisions for liabilities	18	<u>(85,000)</u>	<u>(90,000)</u>
Net assets		<u>3,422,740</u>	<u>3,190,010</u>
Capital and reserves			
Called up share capital	20	3,000	3,000
Profit and loss account		<u>3,419,740</u>	<u>3,187,010</u>
Total equity		<u>3,422,740</u>	<u>3,190,010</u>

Approved and authorised by the Board on 16 November 2017 and signed on its behalf by:



Mr James Smith
Company secretary and director



Mr Gregory Frederick Smith
Director

Fred Smith & Sons (Motor Bodies) Limited

Statement of Changes in Equity for the Year Ended 30 June 2017

	Share capital	Profit and loss	Total
	£	account	£
	£	£	£
At 1 July 2016	3,000	3,187,010	3,190,010
Profit for the year	-	232,730	232,730
Total comprehensive income	-	232,730	232,730
At 30 June 2017	3,000	3,419,740	3,422,740
	Share capital	Profit and loss	Total
	£	account	£
	£	£	£
At 1 July 2016	3,000	2,921,474	2,924,474
Profit for the year	-	265,536	265,536
Total comprehensive income	-	265,536	265,536
At 30 June 2016	3,000	3,187,010	3,190,010

The notes on pages 13 to 24 form an integral part of these financial statements.

Fred Smith & Sons (Motor Bodies) Limited

Statement of Cash Flows for the Year Ended 30 June 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Profit for the year		232,730	265,536
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	1,946,691	1,850,218
Profit on disposal of tangible assets	4	(298,390)	(204,613)
Finance income	6	(380)	(5)
Finance costs	7	81,761	88,169
Income tax expense	11	30,930	109,233
		1,993,342	2,108,538
Working capital adjustments			
(Increase)/decrease in stocks	14	(22,203)	71,565
Decrease/(increase) in trade debtors	15	259,934	(394,738)
(Decrease)/increase in trade creditors	17	(121,663)	96,513
Cash generated from operations		2,109,410	1,881,878
Income taxes paid	11	(37,930)	(24,845)
Net cash flow from operating activities		2,071,480	1,857,033
Cash flows from investing activities			
Interest received	6	380	5
Acquisitions of tangible assets		(2,347,763)	(2,563,675)
Proceeds from sale of tangible assets		405,873	222,505
Cash receipts from repayment of loans, classified as investing activities		7,000	-
Net cash flows from investing activities		(1,934,510)	(2,341,165)
Cash flows from financing activities			
Interest paid	7	(3,186)	(6,740)
Proceeds from other borrowing draw downs		2,251,477	2,504,925
Repayment of other borrowing		(2,331,819)	(2,014,444)
Net cash flows from financing activities		(83,528)	483,741
Net increase/(decrease) in cash and cash equivalents		53,442	(391)
Cash and cash equivalents at 1 July		760,675	761,066
Cash and cash equivalents at 30 June		814,117	760,675

The notes on pages 13 to 24 form an integral part of these financial statements.

Fred Smith & Sons (Motor Bodies) Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

Sams Lane
West Bromwich
West Midlands
B70 7EG
England

These financial statements were authorised for issue by the Board on 16 November 2017.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 and that are expected to apply to the reversal of the timing difference.

Fred Smith & Sons (Motor Bodies) Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Short Leasehold Land & Buildings	10% pa straight line basis
Plant & Machinery	15% pa reducing balance basis, 33% 20%, 12.5% and 10% reducing balance basis.
Office Equipment	15% pa reducing balance basis and 25% pa straight line basis.
Motor Vehicles	25% pa reducing balance basis

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fred Smith & Sons (Motor Bodies) Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2017	2016
	£	£
Sale of goods	8,656,861	8,874,867
Rental income from investment property	4,080	4,420
	<u>8,660,941</u>	<u>8,879,287</u>

Fred Smith & Sons (Motor Bodies) Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

4 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2017 £	2016 £
Gain (loss) on disposal of property, plant and equipment	<u>298,390</u>	<u>204,613</u>

5 Operating profit

Arrived at after charging/(crediting)

	2017 £	2016 £
Depreciation expense	1,946,691	1,850,218
Profit on disposal of property, plant and equipment	<u>(298,390)</u>	<u>(204,613)</u>

6 Other interest receivable and similar income

	2017 £	2016 £
Interest income on bank deposits	82	-
Other finance income	<u>298</u>	<u>5</u>
	<u>380</u>	<u>5</u>

7 Interest payable and similar expenses

	2017 £	2016 £
Interest on bank overdrafts and borrowings	3,186	6,740
Interest on obligations under finance leases and hire purchase contracts	<u>78,575</u>	<u>81,429</u>
	<u>81,761</u>	<u>88,169</u>

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2017 £	2016 £
Wages and salaries	2,317,368	2,265,843
Social security costs	232,199	214,679
Pension costs, defined contribution scheme	<u>168,744</u>	<u>164,026</u>
	<u>2,718,311</u>	<u>2,644,548</u>

Fred Smith & Sons (Motor Bodies) Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2017 No.	2016 No.
Production	59	71
Administration and support	7	8
Other departments	6	6
	<u>72</u>	<u>85</u>

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2017 £	2016 £
Remuneration	667,514	735,367
Contributions paid to money purchase schemes	158,582	154,607
	<u>826,096</u>	<u>889,974</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2017 No.	2016 No.
Accruing benefits under money purchase pension scheme	<u>6</u>	<u>6</u>

In respect of the highest paid director:

	2017 £	2016 £
Remuneration	<u>133,410</u>	<u>147,181</u>

10 Auditors' remuneration

	2017 £	2016 £
Audit of the financial statements	<u>3,500</u>	<u>3,250</u>

Fred Smith & Sons (Motor Bodies) Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

11 Taxation

Tax charged/(credited) in the income statement

	2017 £	2016 £
Current taxation		
UK corporation tax	90,000	92,000
UK corporation tax adjustment to prior periods	<u>(54,070)</u>	<u>(4,767)</u>
	35,930	87,233
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(5,000)</u>	<u>22,000</u>
Tax expense in the income statement	<u><u>30,930</u></u>	<u><u>109,233</u></u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2016 - the same as the standard rate of corporation tax in the UK) of 20% (2016 - 20%).

The differences are reconciled below:

	2017 £	2016 £
Profit before tax	<u>263,660</u>	<u>374,769</u>
Corporation tax at standard rate	52,732	74,954
Effect of expense not deductible in determining taxable profit (tax loss)	916	686
Decrease in UK and foreign current tax from adjustment for prior periods	(54,070)	-
Tax increase from effect of capital allowances and depreciation	33,796	38,640
Tax decrease from other short-term timing differences	(5,000)	-
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>2,556</u>	<u>(5,047)</u>
Total tax charge	<u><u>30,930</u></u>	<u><u>109,233</u></u>

Deferred tax

Deferred tax assets and liabilities

	Liability £
2017	
Accelerated capital allowances	<u>65,000</u>
2016	
Accelerated capital allowances	<u>90,000</u>

Fred Smith & Sons (Motor Bodies) Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

12 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £
Cost or valuation				
At 1 July 2016	98,409	299,815	396,829	12,348,727
Additions	28,456	26,331	31,794	2,261,182
Disposals	-	-	(35,200)	(1,730,755)
At 30 June 2017	<u>126,865</u>	<u>326,146</u>	<u>393,423</u>	<u>12,879,154</u>
Depreciation				
At 1 July 2016	31,140	265,785	267,181	6,518,746
Charge for the year	9,281	10,113	36,286	1,891,011
Eliminated on disposal	-	-	(24,759)	(1,633,713)
At 30 June 2017	<u>40,421</u>	<u>275,898</u>	<u>278,708</u>	<u>6,776,044</u>
Carrying amount				
At 30 June 2017	<u>86,444</u>	<u>50,248</u>	<u>114,715</u>	<u>6,103,110</u>
At 30 June 2016	<u>67,269</u>	<u>34,030</u>	<u>129,648</u>	<u>5,829,981</u>
				Total £
Cost or valuation				
At 1 July 2016				13,143,780
Additions				2,347,763
Disposals				<u>(1,765,955)</u>
At 30 June 2017				<u>13,725,588</u>
Depreciation				
At 1 July 2016				7,082,852
Charge for the year				1,946,691
Eliminated on disposal				<u>(1,658,472)</u>
At 30 June 2017				<u>7,371,071</u>
Carrying amount				
At 30 June 2017				<u>6,354,517</u>
At 30 June 2016				<u>6,060,928</u>

Assets held under finance leases and hire purchase contracts

Fred Smith & Sons (Motor Bodies) Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2017	2016
	£	£
Plant and machinery	4,775,828	4,397,786
Motor vehicles	63,900	79,788
	<u>4,839,728</u>	<u>4,477,574</u>

Fred Smith & Sons (Motor Bodies) Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

13 Other financial assets (current and non-current)

	Financial assets at cost less impairment £	Total £
Non-current financial assets		
Cost or valuation		
At 1 July 2016	14,000	14,000
Disposals	<u>(7,000)</u>	<u>(7,000)</u>
At 30 June 2017	<u>7,000</u>	<u>7,000</u>
Impairment		
Carrying amount		
At 30 June 2017	<u><u>7,000</u></u>	<u><u>7,000</u></u>

14 Stocks

	2017 £	2016 £
Raw materials and consumables	150,475	143,373
Work in progress	<u>112,585</u>	<u>97,484</u>
	<u><u>263,060</u></u>	<u><u>240,857</u></u>

15 Debtors

	2017 £	2016 £
Trade debtors	1,351,992	1,608,008
Other debtors	173,008	183,021
Prepayments	<u>238,267</u>	<u>232,172</u>
	<u><u>1,763,267</u></u>	<u><u>2,023,201</u></u>

16 Cash and cash equivalents

	2017 £	2016 £
Cash on hand	856	754
Cash at bank	573,179	759,921
Short-term deposits	<u>240,082</u>	<u>-</u>
	<u><u>814,117</u></u>	<u><u>760,675</u></u>

Fred Smith & Sons (Motor Bodies) Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

17 Creditors

	Note	2017 £	2016 £
Due within one year			
Loans and borrowings	21	1,948,104	1,772,601
Trade creditors		808,395	866,290
Amounts due to related parties		501,329	488,086
Social security and other taxes		251,189	287,385
Other payables		552,183	601,523
Accruals		43,903	35,378
Income tax liability	11	90,000	92,000
		<u>4,195,103</u>	<u>4,143,263</u>
Due after one year			
Loans and borrowings	21	<u>1,499,118</u>	<u>1,676,388</u>

18 Deferred tax and other provisions

	Deferred tax £	Total £
At 1 July 2016	90,000	90,000
Increase (decrease) in existing provisions	<u>(5,000)</u>	<u>(5,000)</u>
At 30 June 2017	<u>85,000</u>	<u>85,000</u>

19 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £168,744 (2016 - £164,026).

20 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary of £1 each	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>

Fred Smith & Sons (Motor Bodies) Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

21 Loans and borrowings

	2017 £	2016 £
Non-current loans and borrowings		
Bank borrowings	61,243	200,252
Finance lease liabilities	<u>1,437,875</u>	<u>1,476,136</u>
	<u>1,499,118</u>	<u>1,676,388</u>

	2017 £	2016 £
Current loans and borrowings		
Bank borrowings	40,000	40,000
Finance lease liabilities	<u>1,908,104</u>	<u>1,732,601</u>
	<u>1,948,104</u>	<u>1,772,601</u>

Bank borrowings

Business Loan is denominated in GBP with a nominal interest rate of 1.49% over Bank of England Base Rate%, and the final instalment is due on 30 October 2024. The carrying amount at year end is £101,243 (2016 - £240,251).

The loan is secured by a legal charge given by Telideal Limited (parent company) over freehold property at Kelvin Way West Bromwich. All monies guarantee from Telideal Limited. Unlimited debenture from Fred Smith & Sons (Motor Bodies) Limited.

The loan is repayable by 120 consecutive installments of principal and interest commencing 30.11.14. The company has a facility to make overpayments on the loan which are treated shortening the term of the loan.

Included in the loans and borrowings are the following amounts due after more than five years:

	2017 £	2016 £
After more than five years by instalments	<u>-</u>	<u>40,251</u>

Fred Smith & Sons (Motor Bodies) Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

22 Obligations under leases and hire purchase contracts

Finance leases

The total of future minimum lease payments is as follows:

	2017	2016
	£	£
Not later than one year	1,957,334	1,790,750
Later than one year and not later than five years	<u>1,456,818</u>	<u>1,500,478</u>
	<u><u>3,414,152</u></u>	<u><u>3,291,228</u></u>

Operating leases

The total of future minimum lease payments is as follows:

	2017	2016
	£	£
Later than one year and not later than five years	50,000	50,000
Later than five years	<u>119,500</u>	<u>119,500</u>
	<u><u>169,500</u></u>	<u><u>169,500</u></u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £Nil (2016 - £Nil).

23 Parent and ultimate parent undertaking

The company's immediate parent is Telideal Limited, incorporated in England.