

Montila Engineering Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 May 2017

Martin Foster & Co. Limited
AIMS Accountants for Business
Unit 5 Shannon Court
High Street
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Bedfordshire
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Montila Engineering Limited

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Montila Engineering Limited

Company Information

Directors Mr Brian Montila
Mr Adrian Montila

Company secretary Mr Brian Montila

Registered office Pigeon Corner
Potton Road
Everton
Sandy
Bedfordshire
SG19 2LF

Accountants Martin Foster & Co. Limited
AIMS Accountants for Business
Unit 5 Shannon Court
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Montila Engineering Limited
(Registration number: 06243729)
Balance Sheet as at 31 May 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	<u>4</u>	415	5,401
Tangible assets	<u>5</u>	86,400	90,589
		<u>86,815</u>	<u>95,990</u>
Current assets			
Debtors	<u>6</u>	11,269	90,844
Cash at bank and in hand		279,458	175,361
		290,727	266,205
Creditors: Amounts falling due within one year	<u>7</u>	(81,346)	(69,507)
Net current assets		<u>209,381</u>	<u>196,698</u>
Total assets less current liabilities		296,196	292,688
Provisions for liabilities		(16,416)	(17,196)
Net assets		<u>279,780</u>	<u>275,492</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		279,680	275,392
Total equity		<u>279,780</u>	<u>275,492</u>

For the financial year ending 31 May 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 26 February 2018 and signed on its behalf by:

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Mr Brian Montila

Company secretary and director

The notes on pages 3 to 8 form an integral part of these financial statements.
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Montila Engineering Limited

Notes to the Financial Statements for the Year Ended 31 May 2017

1 General information

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

The address of its registered office is:

Pigeon Corner
Potton Road
Everton
Sandy
Bedfordshire
SG19 2LF

These financial statements were authorised for issue by the Board on 26 February 2018.

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 have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

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.

Pounds Sterling

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.

Montila Engineering Limited

Notes to the Financial Statements for the Year Ended 31 May 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
Other property, plant and equipment	15% straight line
Furniture, fittings and equipment	25% straight line
Motor vehicles	20% straight line

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	10% straight line

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.

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.

Montila Engineering Limited

Notes to the Financial Statements for the Year Ended 31 May 2017

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.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

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.

Share based payments

The company operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the entity. The fair value of the employee services received is measured by reference to the estimated fair value at the grant date of equity instruments granted and is recognised as an expense over the vesting period. The estimated fair value of the option granted is calculated using the Black Scholes option pricing model. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 2 (2016 - 2).

Montila Engineering Limited

Notes to the Financial Statements for the Year Ended 31 May 2017

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 June 2016	49,854	49,854
At 31 May 2017	49,854	49,854
Amortisation		
At 1 June 2016	44,453	44,453
Amortisation charge	4,986	4,986
At 31 May 2017	49,439	49,439
Carrying amount		
At 31 May 2017	415	415
At 31 May 2016	5,401	5,401

5 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation				
At 1 June 2016	7,641	73,236	100,748	181,625
Additions	125	26,924	100	27,149
Disposals	-	(12,055)	-	(12,055)
At 31 May 2017	7,766	88,105	100,848	196,719
Depreciation				
At 1 June 2016	6,085	9,032	75,919	91,036
Charge for the year	895	16,859	9,406	27,160
Eliminated on disposal	-	(7,877)	-	(7,877)
At 31 May 2017	6,980	18,014	85,325	110,319
Carrying amount				
At 31 May 2017	786	70,091	15,523	86,400
At 31 May 2016	1,556	64,204	24,829	90,589

Montila Engineering Limited

Notes to the Financial Statements for the Year Ended 31 May 2017

6 Debtors

	2017 £	2016 £
Trade debtors	252	74,296
Other debtors	11,017	16,548
	<u>11,269</u>	<u>90,844</u>

7 Creditors

Creditors: amounts falling due within one year

	Note	2017 £	2016 £
Due within one year			
Trade creditors		22,037	3,147
Amounts owed to group undertakings and undertakings in which the company has a participating interest	10	7,401	23,456
Taxation and social security		229	6,072
Accruals and deferred income		1,950	1,950
Other creditors		49,729	34,882
		<u>81,346</u>	<u>69,507</u>

8 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary of £1 each	100	100	100	100

9 Dividends

	2017 £	2016 £
Final dividend of £Nil (2016 - £1,134.00) per ordinary share	-	-
Interim dividend of £1,000.00 (2016 - £Nil) per ordinary share	100,000	113,400
	<u>100,000</u>	<u>113,400</u>

The directors are proposing a final dividend of £Nil (2016 - £9,428.60) per share totalling £Nil (2016 - £94,286.00). This dividend has not been accrued in the Balance Sheet.

Montila Engineering Limited

Notes to the Financial Statements for the Year Ended 31 May 2017

10 Related party transactions

Directors' remuneration

The directors' remuneration for the year was as follows:

	2017 £	2016 £
Remuneration	19,999	20,000
Contributions paid to money purchase schemes	6,000	6,000
	<u>25,999</u>	<u>26,000</u>

11 Transition to FRS 102

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - "the Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. There have been no adjustments necessary on transition to this new standard.

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.