

REGISTERED NUMBER: 00262479 (England and Wales)

C.F.Struthers Limited

**Strategic Report, Report of the Director and
Financial Statements for the Year Ended 31st December 2018**

Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire HU2 8BA

Contents of the Financial Statements

for the year ended 31st December 2018

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C.F.Struthers Limited

Company Information

for the year ended 31st December 2018

DIRECTOR:

N Burton

SECRETARY:

M J Graves

REGISTERED OFFICE:

Millennium Works
Valletta Street
Hull
East Yorkshire
HU9 5NP

REGISTERED NUMBER:

00262479 (England and Wales)

AUDITORS:

Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire HU2 8BA

Strategic Report

for the year ended 31st December 2018

The director presents his strategic report for the year ended 31st December 2018.

The principal activity of the company is that of fabrication engineers.

REVIEW OF BUSINESS

Trading during this accounting period has been slow, mainly due to client project delays. The Director decided not to change the business strategy but to continue with its Waste Heat Recovery and Power plant focus. Owing to the low oil pricing worldwide only one Waste Heart Recovery contract was secured, the remaining turnover relied upon low margin site activities on Biomass Power Plants. The company will consider new marketing strategies during 2019, including a new website to encourage new business. During the period the company has reduced its overheads in line with the current business activity. Indications are that several new contracts will be confirmed during 2019 and as such the company remains optimistic for the future.

PRINCIPAL RISKS AND UNCERTAINTIES

The Director considers that the key risks for the business are meeting customers, constant higher expectations. The risk is managed by ensuring the company's quality systems are maintained, key members of staff retained and a focus on exceeding customer's expectations.

KEY PERFORMANCE INDICATORS

The ultimate controlling party is also a director of the company and is closely involved in the company's activities. The company's director therefore believe that the analysis of the company's performance for the year using Key Performance Indicators is not necessary as the shareholder already understands the development, performance and position of the company.

FINANCIAL RISK MANAGEMENT

The main financial risk, to which the company is exposed is cash flow management. The company manages this risk by closely monitoring and managing the funding position with use of the company's bank facility when required.

ON BEHALF OF THE BOARD:

N Burton - Director

30th September 2019

Report of the Director

for the year ended 31st December 2018

The director presents his report with the financial statements of the company for the year ended 31st December 2018.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of fabrication engineers.

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2018 was £70,000.

DIRECTORS

N Burton has held office during the whole of the period from 1st January 2018 to the date of this report.

Other changes in directors holding office are as follows:

S J Wray - resigned 30th June 2018

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Smailes Goldie, will be proposed for re-appointment at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD:

N Burton - Director

30th September 2019

Report of the Independent Auditors to the Members of C.F.Struthers Limited

Opinion

We have audited the financial statements of C.F.Struthers Limited (the 'company') for the year ended 31st December 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2018 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 Auditors' 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast a 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 director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors 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.

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.

Opinions on other matters 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 the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of C.F.Struthers Limited

Matters on which we are required to report by exception

In the light of the 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 or the Report of the Director.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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 a Report of the Auditors 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.

Jeremy Allison BSc FCA CF (Senior Statutory Auditor)
for and on behalf of Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire HU2 8BA

30th September 2019

Statement of Comprehensive Income

for the year ended 31st December 2018

	Notes	2018 £	£	2017 £	£
TURNOVER	3		6,090,102		8,960,870
Cost of sales			4,761,920		7,387,754
GROSS PROFIT			1,328,182		1,573,116
Distribution costs		146,697		205,225	
Administrative expenses		968,347		1,019,057	
			1,115,044		1,224,282
OPERATING PROFIT	5		213,138		348,834
Interest receivable and similar income			132		206
			213,270		349,040
Interest payable and similar expenses	6		16,635		18,244
PROFIT BEFORE TAXATION			196,635		330,796
Tax on profit	7		40,227		8,711
PROFIT FOR THE FINANCIAL YEAR			156,408		322,085
OTHER COMPREHENSIVE INCOME			-		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			156,408		322,085

Balance Sheet

31st December 2018

	Notes	2018 £	£	2017 £	£
FIXED ASSETS					
Tangible assets	9		2,375,388		2,400,813
CURRENT ASSETS					
Stocks	10	49,547		65,852	
Debtors	11	5,416,478		6,401,945	
Cash at bank and in hand		238,820		277,309	
		5,704,845		6,745,106	
CREDITORS					
Amounts falling due within one year	12	1,625,375		2,680,440	
NET CURRENT ASSETS			4,079,470		4,064,666
TOTAL ASSETS LESS CURRENT LIABILITIES			6,454,858		6,465,479
CREDITORS					
Amounts falling due after more than one year	13		(16,222)		(115,735)
PROVISIONS FOR LIABILITIES	17		(28,762)		(26,278)
NET ASSETS			6,409,874		6,323,466
CAPITAL AND RESERVES					
Called up share capital	18		100,000		100,000
Revaluation reserve	19		766,430		766,430
Retained earnings	19		5,543,444		5,457,036
SHAREHOLDERS' FUNDS			6,409,874		6,323,466

The financial statements were approved by the director on 30th September 2019 and were signed by:

N Burton - Director

Statement of Changes in Equity

for the year ended 31st December 2018

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1st January 2017	100,000	5,234,951	766,430	6,101,381
Changes in equity				
Dividends	-	(100,000)	-	(100,000)
Total comprehensive income	-	322,085	-	322,085
Balance at 31st December 2017	<u>100,000</u>	<u>5,457,036</u>	<u>766,430</u>	<u>6,323,466</u>
Changes in equity				
Dividends	-	(70,000)	-	(70,000)
Total comprehensive income	-	156,408	-	156,408
Balance at 31st December 2018	<u>100,000</u>	<u>5,543,444</u>	<u>766,430</u>	<u>6,409,874</u>

Notes to the Financial Statements

for the year ended 31st December 2018

1. STATUTORY INFORMATION

C.F.Struthers Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standards 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

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

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Going concern

The director has assessed the risks and uncertainties that may affect the company's ability to trade as a going concern. The director has in particular considered the company's reliance on a major customer and the risk to the business if this customer ceases to purchase the company's products and services, or becomes unable to pay its debts to the company. The director is mindful that the company has secured new contracts on which work has already commenced and which have a positive cash flow. Following this assessment, the financial statements have been prepared on a going concern basis, this assumes that the company will continue to be able to meet its financial liabilities as they fall due in the foreseeable future.

Turnover

When the outcome of long term contracts can be estimated reliably, contract costs and turnover are recognised by reference to the stage of completion at the balance sheet date. Stage of completion is measured by reference to costs incurred to date and estimated costs to complete. Where the outcome cannot be measured reliably, contract costs are recognised as an expense in the period in which they are incurred and contract turnover is recognised to the extent of costs incurred that it is probable will be recoverable. When it is probable that contract costs will exceed the total contract turnover, the expected loss is recognised as an expense immediately, with a corresponding provision.

Notes to the Financial Statements - continued

for the year ended 31st December 2018

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold property	- 2.5% on cost
Improvement to leasehold property	- 20% on cost
Plant and machinery etc	- 10% - 20% on cost
Fixtures and fittings	- 10% - 33.33% on cost
Motor Vehicles	- 25% on cost

Freehold property is valued by the directors using information available from professional valuations.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Contract work in progress is included in debtors stated at net realisable value. Cumulative turnover (i.e. the total turnover recorded in respect of the contract in the profit and loss accounts of all accounting periods since inception of the contract) is compared with total payments on account. If turnover exceeds payments on account an "amount recoverable on contracts" is established and separately disclosed within debtors. If payments on account are greater than turnover to date, the excess is classified within creditors.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Notes to the Financial Statements - continued

for the year ended 31st December 2018

2. ACCOUNTING POLICIES - continued

Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

Hire purchase and leasing commitments

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors. Minimum lease payments are apportioned between finance income and the reduction of the lease debtor with finance income allocated so as to produce a constant periodic rate of interest on the net investment in the finance lease. Rentals payable and receivable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service. The company operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Debtors and creditors receivable /payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in administrative expenses.

3. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company wholly within the UK. The total amount of contract revenue recognised in the period was £6,090,102 (2017 £8,960,870).

4. EMPLOYEES AND DIRECTORS

	2018	2017
	£	£
Wages and salaries	3,091,682	3,020,237
Social security costs	297,238	340,552
Other pension costs	127,497	125,392
	<u>3,516,417</u>	<u>3,486,181</u>

The average number of employees during the year was as follows:

	2018	2017
Management	15	15
Manufacturing	64	66
	<u>79</u>	<u>81</u>

Notes to the Financial Statements - continued

for the year ended 31st December 2018

4. EMPLOYEES AND DIRECTORS - continued

	2018 £	2017 £
Directors' remuneration	34,822	111,280
Directors' pension contributions to money purchase schemes	<u>18,000</u>	<u>31,500</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>2</u>
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5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2018 £	2017 £
Depreciation - owned assets	61,613	67,013
Depreciation - assets on hire purchase contracts	35,870	37,001
(Profit)/loss on disposal of fixed assets	(1,688)	2,787
Auditors' remuneration	13,500	11,595
Auditors' remuneration for non audit work	12,348	4,050
Operating lease rentals - Land and buildings	26,250	25,000
Operating lease rentals - Plant and machinery	<u>2,588</u>	<u>2,537</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018 £	2017 £
Bank interest	9,718	7,018
Corporation tax interest paid	-	2,908
Other loan interest	3,796	5,661
Hire purchase interest	<u>3,121</u>	<u>2,657</u>
	<u>16,635</u>	<u>18,244</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2018 £	2017 £
Current tax:		
UK corporation tax	37,743	79,667
(Over)/under provision	-	(55,867)
Total current tax	<u>37,743</u>	<u>23,800</u>
Origination and reversal of timing differences	<u>2,484</u>	<u>(15,089)</u>
Tax on profit	<u>40,227</u>	<u>8,711</u>

Notes to the Financial Statements - continued

for the year ended 31st December 2018

7. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2018 £	2017 £
Profit before tax	<u>196,635</u>	<u>330,796</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19%)	37,361	62,851
Effects of:		
Expenses not deductible for tax purposes	2,866	2,775
R&D refund	-	(55,867)
Change in rate of tax	-	(1,048)
Total tax charge	<u>40,227</u>	<u>8,711</u>

8. DIVIDENDS

	2018 £	2017 £
Ordinary shares of £1 each Interim	<u>70,000</u>	<u>100,000</u>

9. TANGIBLE FIXED ASSETS

	Freehold property £	Improvement to leasehold property £	Plant and machinery £
COST OR VALUATION			
At 1st January 2018	2,095,000	69,408	1,100,222
Additions	-	-	64,299
At 31st December 2018	<u>2,095,000</u>	<u>69,408</u>	<u>1,164,521</u>
DEPRECIATION			
At 1st January 2018	-	38,235	960,240
Charge for year	-	12,068	32,741
Eliminated on disposal	-	-	-
At 31st December 2018	<u>-</u>	<u>50,303</u>	<u>992,981</u>
NET BOOK VALUE			
At 31st December 2018	<u>2,095,000</u>	<u>19,105</u>	<u>171,540</u>
At 31st December 2017	<u>2,095,000</u>	<u>31,173</u>	<u>139,982</u>

Notes to the Financial Statements - continued

for the year ended 31st December 2018

9. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1st January 2018	104,509	256,742	3,625,881
Additions	21,072	-	85,371
Disposals	-	(31,950)	(31,950)
At 31st December 2018	<u>125,581</u>	<u>224,792</u>	<u>3,679,302</u>
DEPRECIATION			
At 1st January 2018	94,074	132,519	1,225,068
Charge for year	10,791	41,883	97,483
Eliminated on disposal	-	(18,637)	(18,637)
At 31st December 2018	<u>104,865</u>	<u>155,765</u>	<u>1,303,914</u>
NET BOOK VALUE			
At 31st December 2018	<u>20,716</u>	<u>69,027</u>	<u>2,375,388</u>
At 31st December 2017	<u>10,435</u>	<u>124,223</u>	<u>2,400,813</u>

Cost or valuation at 31st December 2018 is represented by:

	Freehold property £	Improvement to leasehold property £	Plant and machinery £
Valuation in 2012	313,699	-	-
Valuation in 2014	95,000	-	-
Cost	<u>1,686,301</u>	<u>69,408</u>	<u>1,164,521</u>
	<u>2,095,000</u>	<u>69,408</u>	<u>1,164,521</u>

	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2012	-	-	313,699
Valuation in 2014	-	-	95,000
Cost	<u>125,581</u>	<u>224,792</u>	<u>3,270,603</u>
	<u>125,581</u>	<u>224,792</u>	<u>3,679,302</u>

Notes to the Financial Statements - continued

for the year ended 31st December 2018

9. TANGIBLE FIXED ASSETS - continued

If freehold land and buildings had not been revalued it would have been included at the following historical cost:

	2018 £	2017 £
Cost	<u>1,686,301</u>	<u>1,686,301</u>
Aggregate depreciation	<u>610,678</u>	<u>568,520</u>

Freehold property was valued on an open market basis on 31st December 2018 by the directors .

The valuation was based on a previous valuation undertaken by Clark Weightman Limited in July 2018, who valued the property at £2,095,000.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1st January 2018	23,160	130,131	153,291
Additions	29,000	-	29,000
Disposals	-	(31,950)	(31,950)
At 31st December 2018	<u>52,160</u>	<u>98,181</u>	<u>150,341</u>
DEPRECIATION			
At 1st January 2018	8,106	40,594	48,700
Charge for year	6,666	29,204	35,870
Eliminated on disposal	-	(18,637)	(18,637)
At 31st December 2018	<u>14,772</u>	<u>51,161</u>	<u>65,933</u>
NET BOOK VALUE			
At 31st December 2018	<u>37,388</u>	<u>47,020</u>	<u>84,408</u>
At 31st December 2017	<u>15,054</u>	<u>89,537</u>	<u>104,591</u>

10. STOCKS

	2018 £	2017 £
Raw materials	<u>49,547</u>	<u>65,852</u>

Stock recognised in cost of sales during the year as an expense was £1,312,641 (2017 £3,350,090).

Notes to the Financial Statements - continued

for the year ended 31st December 2018

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade debtors	1,946,141	2,606,177
Amounts owed by group undertakings	3,243,360	3,243,359
Amounts recoverable on long term contracts	190,043	504,353
Other debtors	1,875	8,671
Prepayments	35,059	39,385
	<u>5,416,478</u>	<u>6,401,945</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Bank loans and overdrafts (see note 14)	82,500	90,000
Hire purchase contracts (see note 15)	30,790	43,776
Payments on account	-	408,000
Trade creditors	713,180	1,296,884
Corporation tax	117,964	232,307
Social security and other taxes	467,276	321,953
Other creditors	8,441	23,766
Accruals and deferred income	205,224	263,754
	<u>1,625,375</u>	<u>2,680,440</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018	2017
	£	£
Bank loans (see note 14)	-	82,500
Hire purchase contracts (see note 15)	16,222	33,235
	<u>16,222</u>	<u>115,735</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2018	2017
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>82,500</u>	<u>90,000</u>
Amounts falling due between one and two years:		
Bank loans	<u>-</u>	<u>82,500</u>

The bank loan is repayable in monthly instalments of £7,500. The loans bear interest at a commercial rate.

Notes to the Financial Statements - continued

for the year ended 31st December 2018

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2018	2017
	£	£
Gross obligations repayable:		
Within one year	31,951	46,142
Between one and five years	16,513	33,988
	<u>48,464</u>	<u>80,130</u>
Finance charges repayable:		
Within one year	1,161	2,366
Between one and five years	291	753
	<u>1,452</u>	<u>3,119</u>
Net obligations repayable:		
Within one year	30,790	43,776
Between one and five years	16,222	33,235
	<u>47,012</u>	<u>77,011</u>
	Non-cancellable operating leases	
	2018	2017
	£	£
Within one year	26,250	27,544
Between one and five years	52,500	52,500
	<u>78,750</u>	<u>80,044</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	2018	2017
	£	£
Bank loans	82,500	172,500
Hire purchase contracts	47,012	77,011
	<u>129,512</u>	<u>249,511</u>

The bank holds the following securities over the above bank loans and overdrafts:

- First legal charge over the company's premises known as Millennium Works, Valletta Street, Hull.
- Debenture creating a fixed and floating charge over all present and future assets of the company.

Notes to the Financial Statements - continued

for the year ended 31st December 2018

17. PROVISIONS FOR LIABILITIES

	Deferred Tax £
Balance at 1st January 2018	26,278
Profit and loss account	2,484
Balance at 31st December 2018	<u>28,762</u>

The component parts of the deferred tax liability are: accelerated capital allowances £30,942 and short term timing differences £2,180 (2017: £28,316 and £2,038 respectively).

The expected net reversal of deferred tax assets and liabilities in 2019 is £5,902. This primarily relates to the reversal of timing differences on acquired tangible assets and capital allowances through depreciation.

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal	2018	2017
Number:	Class:	value:	£	£
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

19. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1st January 2018	5,457,036	766,430	6,223,466
Profit for the year	156,408	-	156,408
Dividends	(70,000)	-	(70,000)
At 31st December 2018	<u>5,543,444</u>	<u>766,430</u>	<u>6,309,874</u>

Retained earnings

Retained earnings represents cumulative profits and losses net of dividends and other adjustments.

Revaluation reserve

The revaluation reserve represents the cumulative effect of revaluations of tangible fixed assets where a policy of revaluation has been adopted.

20. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The charge in the accounts in respect of pensions represents contributions payable by the company to the fund and amounted to £127,497 (2017 £125,392). Contributions of £11,476 were outstanding at 31st December 2018 (2017 £10,728).

Notes to the Financial Statements - continued

for the year ended 31st December 2018

21. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemptions available under FRS102 in respect of transactions and balances with its parent company C F Struthers (Hull) Limited and the ultimate parent company C F Struthers (Holdings) Limited.

Other related party transactions are as follows:

Key management personnel of the entity or its parent (in the aggregate)

	2018	2017
	£	£
Amount due to related party	<u>8,441</u>	<u>23,766</u>

Other related parties

	2018	2017
	£	£
Sales	5,557,303	6,172,887
Amount due from related party	<u>1,451,373</u>	<u>2,618,695</u>

22. PARENT COMPANY

The parent company is C F Struthers (Hull) Limited, a company incorporated in England and Wales.

23. ULTIMATE PARENT COMPANY

The ultimate parent company is C F Struthers (Holdings) Limited, a company incorporated in England and Wales.

24. ULTIMATE CONTROLLING PARTY

At 31st December 2018, the company was controlled by N Burton who owns 100% of the ordinary shares in the ultimate parent company.

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.