

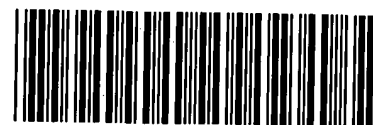
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Financial Statements Burrows & Smith Limited

For the Year Ended 31 October 2016

Registered number: 00366790

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Burrows & Smith Limited

Company Information

Director	C R F Shield
Company secretary	C R F Shield
Registered number	00366790
Registered office	365 Fosse Way Syston Leicester LE7 1NL
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Regent House 80 Regent Road Leicester LE1 7NH
Bankers	National Westminster Bank PLC 1 Granby Street Leicester LE1 9GT

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Strategic Report

For the Year Ended 31 October 2016

Introduction

The principal activity of the company in the year under review was production machining of ferrous castings.

Business review

The business has experienced some very challenging trading through the period due to reduced customer demand from the global slowdown in capital equipment. Since the year end some recovery in volumes has been experienced and the management anticipates that this will continue for a meaningful period. The management's long term plan to consolidate the manufacturing facilities will be completed shortly and it is expected that this will significantly reduce its cost base and maximise efficiency bringing the business back into profit. The business has incurred significant costs in this financial year as a result of this consolidation programme.

Principal risks and uncertainties

The key risks and uncertainties affecting the company are considered to relate to competition from overseas suppliers, global demand for our customer products and raw material costs. The company is well positioned with a capable supply chain, strong workforce and management team to meet these challenges allowing continued investment into the future.

Financial key performance indicators

The company's key performance indicators are as follows:

Sales

The accounts report a 23% decrease (2015 - 22% decrease) in the level of sales over the previous financial year

Gross margin

Gross margins for the year has reduced from 15% to 12%

Other key performance indicators

There are no significant non-financial key performance indicators which are relevant to understanding the position of the business.

This report was approved by the board on 26 April 2017 and signed on its behalf.



.....
C R F Shield
Director

Director's Report

For the Year Ended 31 October 2016

The director presents his report and the financial statements for the year ended 31 October 2016.

Director's responsibilities statement

The director is responsible for preparing the Strategic report, the Director's report 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that he gives 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 for the Company's financial statements and then apply them consistently;
- make judgments 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.

Results and dividends

The loss for the year, after taxation, amounted to £1,481,745 (2015 - loss £697,718).

The director does not recommend payment of an ordinary dividend.

Director

The director who served during the year was:

C R F Shield

Future developments

Future developments have been detailed in the strategic report.

Director's Report (continued)

For the Year Ended 31 October 2016

Financial instruments

The company uses financial instruments, other than derivatives, comprising cash and other liquid resources and various other items such as trade debtors, hire purchase, trade creditors and inter-company loans that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The main risks arising from the company's financial instruments are credit risk, liquidity risk and interest rate risk. The directors review agreed policies for managing each of these risks and they are summarized below. The policies have remained unchanged from previous periods.

Credit risk

In order to limit credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Debtor balances are reviewed on a regular basis in conjunction with debt ageing and collection history.

Liquidity risk

The company seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet foreseeable needs and by investing cash assets safely and profitably.

Interest rate risk

The company finances its operations through a mixture of retained profits, invoice discounting, hire purchase and inter-company loans. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

Disclosure of information to auditor

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end other than a group restructure as detailed in note 27.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the director on 26 April 2017 and signed on its behalf.



C R F Shield
Director

Independent Auditor's Report to the Members of Burrows & Smith Limited

We have audited the financial statements of Burrows & Smith Limited for the year ended 31 October 2016, which comprise the Profit and loss account, Statement of other comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

Respective responsibilities of director and auditor

As explained more fully in the Director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 October 2016 and of its loss 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.



Independent Auditor's Report to the Members of Burrows & Smith Limited

Matters on which we are required to report by exception

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.

Grant Thornton UK LLP

K G Bathia (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Statutory Auditor

Chartered Accountants

Leicester

26 April 2017

Profit and Loss Account

For the Year Ended 31 October 2016

	Note	2016 £	2015 £
Turnover	4	8,944,191	11,639,560
Cost of sales		(7,874,480)	(9,882,895)
Gross profit		1,069,711	1,756,665
Administrative expenses		(2,510,115)	(2,183,968)
Exceptional administrative expenses		-	(286,362)
Other operating income	5	11,950	-
Operating loss		(1,428,454)	(713,665)
Interest receivable and similar income	10	279	250
Interest payable and similar charges	11	(15,518)	-
Loss before tax		(1,443,693)	(713,415)
Tax on loss on ordinary activities	12	(38,052)	15,697
Loss for the year		(1,481,745)	(697,718)

The notes on pages 10 to 22 form part of these financial statements.

Statement of Other Comprehensive Income

For the Year Ended 31 October 2016

	Note	2016 £	2015 £
Loss for the financial year		<u>(1,481,745)</u>	<u>(697,718)</u>
Other comprehensive income		<u></u>	<u></u>
Total comprehensive income for the year		<u><u>(1,481,745)</u></u>	<u><u>(697,718)</u></u>

Balance Sheet

As at 31 October 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	14	5,254,320	2,876,207
		<u>5,254,320</u>	<u>2,876,207</u>
Current assets			
Stocks	15	1,131,246	1,359,136
Debtors: amounts falling due within one year	16	1,182,350	1,177,696
Cash at bank and in hand	17	4,192	162,666
		<u>2,317,788</u>	<u>2,699,498</u>
Creditors: amounts falling due within one year	18	(7,556,095)	(5,360,331)
Net current liabilities		<u>(5,238,307)</u>	<u>(2,660,833)</u>
Total assets less current liabilities		<u>16,013</u>	<u>215,374</u>
Creditors: amounts falling due after more than one year	19	(1,247,880)	-
Provisions for liabilities			
Deferred tax	20	(41,552)	(7,048)
		<u>(41,552)</u>	<u>(7,048)</u>
Net (liabilities)/assets		<u><u>(1,273,419)</u></u>	<u><u>208,326</u></u>
Capital and reserves			
Called up share capital	21	106,376	106,376
Revaluation reserve	22	891,029	891,029
Profit and loss account	22	(2,270,824)	(789,079)
		<u>(1,273,419)</u>	<u>208,326</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 April 2017.



C R F Shield

Director

The notes on pages 10 to 22 form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 October 2016

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 November 2015	106,376	891,029	(789,079)	208,326
Comprehensive income for the year				
Loss for the year	-	-	(1,481,745)	(1,481,745)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(1,481,745)	(1,481,745)
Total transactions with owners	-	-	-	-
At 31 October 2016	106,376	891,029	(2,270,824)	(1,273,419)

Statement of Changes in Equity

For the Year Ended 31 October 2015

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 November 2014	106,376	891,029	(91,361)	906,044
Comprehensive income for the year				
Loss for the year	-	-	(697,718)	(697,718)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(697,718)	(697,718)
Total transactions with owners	-	-	-	-
At 31 October 2015	106,376	891,029	(789,079)	208,326

The notes on pages 10 to 22 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 October 2016

1. General information

The principal activity of the year under review was that of the production machining of ferrous castings. The company is registered in England and its registered office is 365 Fosse Way, Syston, Leicester LE7 1NL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold property and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 28.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland":

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

This information is included in the consolidated financial statements of R A Shield Holdings Limited for the year ended 31 October 2016, and their financial statements may be obtained from R A Shield Holdings Limited, 365 Fosse Way, Syston, Leicestershire LE7 1NL.

The following principal accounting policies have been applied:

2.2 Going concern

The company has made a loss in the year and has net liabilities. Notwithstanding this, the director believes that it is appropriate to adopt the going concern basis in the preparation of the financial statements. In reaching this conclusion the director has taken into account the group support provided together with the future prospects of the business.

2.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year from its activity in machining precision components. Turnover is recognised on despatch of goods.

Notes to the Financial Statements

For the Year Ended 31 October 2016

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold property	- 2.5% on a reducing balance basis. No depreciation is provided on freehold land
Plant & machinery	- 20% on a reducing balance basis/on cost over 7 years
Motor vehicles	- 25% on a reducing balance basis
Fixtures & fittings	- 25% on a reducing balance basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and loss account.

2.5 Revaluation of tangible fixed assets

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

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

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

2.6 Stocks

Stocks are valued at the lower of costs and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Notes to the Financial Statements

For the Year Ended 31 October 2016

2. Accounting policies (continued)

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Finance costs

Finance costs are charged to the Profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Notes to the Financial Statements

For the Year Ended 31 October 2016

2. Accounting policies (continued)

2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.13 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Interest income

Interest income is recognised in the Profit and loss account using the effective interest method.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

Notes to the Financial Statements

For the Year Ended 31 October 2016

2. Accounting policies (continued)

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.17 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Many of the amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation is contained in the accounting policies and/or the notes to the financial statements and the key areas are summarised below:

Judgements on applying accounting policies:

the directors must judge whether all the conditions required for turnover to be recognised in the profit and loss account of the financial year, as set out in note 2.3 above, have been met.

Sources of estimation uncertainty:

depreciation rates are based on estimates of the useful lives and residual values of the assets involved (see note 2.4);

slow moving stock provisions are based on estimates of the likely recoverable amounts (see note 2.6).

Notes to the Financial Statements

For the Year Ended 31 October 2016

4. Turnover

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	8,211,327	10,830,619
Rest of the world	732,864	808,941
	<u>8,944,191</u>	<u>11,639,560</u>

5. Other operating income

	2016 £	2015 £
Net rents receivable	11,950	-
	<u>11,950</u>	<u>-</u>

6. Operating loss

The operating loss is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the company	281,632	275,536
- held under finance leases	244,426	-
Exchange differences	4,512	(12,852)
Other operating lease rentals	75,837	57,580
Defined contribution pension cost	33,566	40,728
	<u>539,973</u>	<u>360,992</u>

7. Auditor's remuneration

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	12,750	12,750
	<u>12,750</u>	<u>12,750</u>

Notes to the Financial Statements

For the Year Ended 31 October 2016

8. Employees

Staff costs, including director's remuneration, were as follows:

	2016	2015
	£	£
Wages and salaries	2,063,050	2,383,134
Social security costs	191,972	223,510
Cost of defined contribution scheme	33,566	40,728
	<u>2,288,588</u>	<u>2,647,372</u>

The average monthly number of employees, including the director, during the year was as follows:

	2016	2015
	No.	No.
Productive and technical	56	95
Administrative and managerial	11	4
	<u>67</u>	<u>99</u>

9. Director's remuneration

	2016	2015
	£	£
Director's emoluments	20,000	20,000
	<u>20,000</u>	<u>20,000</u>

10. Interest receivable

	2016	2015
	£	£
Other interest receivable	279	250
	<u>279</u>	<u>250</u>

11. Interest payable and similar charges

	2016	2015
	£	£
Finance leases and hire purchase contracts	15,518	-
	<u>15,518</u>	<u>-</u>

Notes to the Financial Statements

For the Year Ended 31 October 2016

12. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	2,446	-
Adjustments in respect of previous periods	1,102	-
	<u>3,548</u>	<u>-</u>
Total current tax	<u>3,548</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	34,504	(15,697)
Total deferred tax	<u>34,504</u>	<u>(15,697)</u>
Taxation on profit/(loss) on ordinary activities	<u>38,052</u>	<u>(15,697)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - 20%) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Loss on ordinary activities before tax	<u>(1,443,693)</u>	<u>(713,415)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	(288,739)	(142,683)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	5,815
Fixed asset differences	9,548	959
Adjustments to tax charge in respect of prior periods	1,102	-
Intercompany loan provisions leading to an increase in tax	-	57,401
Other differences leading to an increase (decrease) in the tax charge	-	(50)
Group relief	316,141	62,861
Total tax charge for the year	<u>38,052</u>	<u>(15,697)</u>

Notes to the Financial Statements

For the Year Ended 31 October 2016

13. Exceptional items

	2016 £	2015 £
Inter company loan written off	-	286,362
	<u>-</u>	<u>286,362</u>

14. Tangible fixed assets

	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Assets under construction £	Total £
Cost or valuation						
At 1 November 2015	1,704,000	9,595,296	57,744	506,563	317,505	12,181,108
Additions	40,429	3,086,912	-	-	-	3,127,341
Transfers intra group	-	-	-	-	(181,585)	(181,585)
Disposals	-	-	-	-	(41,585)	(41,585)
Transfers between classes	94,335	-	-	-	(94,335)	-
At 31 October 2016	<u>1,838,764</u>	<u>12,682,208</u>	<u>57,744</u>	<u>506,563</u>	<u>-</u>	<u>15,085,279</u>
Depreciation						
At 1 November 2015	58,895	8,691,247	55,035	499,724	-	9,304,901
Charge for the period on owned assets	42,812	236,433	677	1,710	-	281,632
Charge for the period on financed assets	-	244,426	-	-	-	244,426
At 31 October 2016	<u>101,707</u>	<u>9,172,106</u>	<u>55,712</u>	<u>501,434</u>	<u>-</u>	<u>9,830,959</u>
Net book value						
At 31 October 2016	<u>1,737,057</u>	<u>3,510,102</u>	<u>2,032</u>	<u>5,129</u>	<u>-</u>	<u>5,254,320</u>
At 31 October 2015	<u>1,645,105</u>	<u>904,049</u>	<u>2,709</u>	<u>6,839</u>	<u>317,505</u>	<u>2,876,207</u>

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

	2016 £	2015 £
Plant and machinery	2,688,684	-
	<u>2,688,684</u>	<u>-</u>

Notes to the Financial Statements

For the Year Ended 31 October 2016

14. Tangible fixed assets (continued)

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

	2016 £	2015 £
Cost	1,044,825	1,044,825
Accumulated depreciation	(299,011)	(283,142)
Net book value	745,814	761,683

15. Stocks

	2016 £	2015 £
Raw materials and consumables	936,750	1,081,605
Finished goods and goods for resale	194,496	277,531
	1,131,246	1,359,136

Stock recognised in cost of sales during the year as an expense was £5,575,040 (2015: £7,154,707).

A stock provision of £17,623 (2015: £44,257) was offset against stock.

16. Debtors

	2016 £	2015 £
Trade debtors	1,149,587	802,166
Other debtors	1,034	18,051
Prepayments and accrued income	31,729	357,479
	1,182,350	1,177,696

A bad debt provision of £ Nil (2015: £ Nil) was offset against trade debtors and the cost recognised within administrative expenses.

Notes to the Financial Statements

For the Year Ended 31 October 2016

17. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	4,192	162,666
	<u>4,192</u>	<u>162,666</u>

18. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	550,089	631,346
Amounts owed to group undertakings	5,745,305	4,395,362
Corporation tax	2,446	-
Taxation and social security	291,382	267,338
Obligations under finance lease and hire purchase contracts	870,815	-
Other creditors	628	842
Accruals and deferred income	95,430	65,443
	<u>7,556,095</u>	<u>5,360,331</u>

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

	2016 £	2015 £
Net obligations under finance leases and hire purchase contracts	1,247,880	-
	<u>1,247,880</u>	<u>-</u>

20. Deferred taxation

	2016 £
At beginning of year	(7,048)
Charged to profit or loss	(34,504)
At end of year	<u>(41,552)</u>

Notes to the Financial Statements

For the Year Ended 31 October 2016

20. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2016 £
Accelerated capital allowances	(41,552)
	<u>(41,552)</u>

21. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
100,000 Ordinary shares shares of £1 each	100,000	100,000
6,376 Non cumulative preference shares shares of £1 each	6,376	6,376
	<u>106,376</u>	<u>106,376</u>

22. Reserves

Revaluation reserve

The revaluation reserve reflects the surplus on the revaluation of the property.

Profit & loss account

The profit and loss account include all current and prior period retained profits and losses.

23. Capital commitments

At 31 October 2016 the Company had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	-	3,021,807

24. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £33,566 (2015 - £40,728). Contributions totalling £Nil (2015 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

Notes to the Financial Statements

For the Year Ended 31 October 2016

25. Commitments under operating leases

At 31 October 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	31,667	-
	<u>31,667</u>	<u>-</u>

26. Related party transactions

The company has taken advantage of the exemption available in FRS 102 Section 33 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

27. Ultimate parent undertaking and controlling party

At the year end the company was controlled by its parent company, Shield Engineering (Syston) Limited and the ultimate parent company was R A Shield Holdings Limited. Following a group restructure after the year end the parent company is Burrows and Smith Holdings Limited which is controlled by C R F Shield.

28. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.