

REGISTERED NUMBER: 00685993 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018
FOR
MANUFAX ENGINEERING LIMITED**

TUESDAY



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27/11/2018
COMPANIES HOUSE

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FOR THE YEAR ENDED 28 FEBRUARY 2018**

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MANUFAX ENGINEERING LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 28 FEBRUARY 2018

DIRECTORS:

E Rhodes
G E Rhodes
D Kerrigan
H Bennett

SECRETARY:

G E Rhodes

REGISTERED OFFICE:

Cromer Street
Newbridge Lane
Stockport
Cheshire
SK1 2NP

REGISTERED NUMBER:

00685993 (England and Wales)

AUDITORS:

Howard Worth
Chartered Accountants and
Statutory Auditors
Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

**STRATEGIC REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2018**

The directors present their strategic report for the year ended 28 February 2018.

REVIEW OF BUSINESS

The reporting period to February 2018, presented inconsistent market resurgence in the aerospace sector. This was mitigated in part by the company's further successful penetration into niche markets. The directors are satisfied partial strategic diversification has proved rewarding.

Ongoing investment in "State of the art" equipment will prove a key component in the company's continuous improvement philosophy.

PRINCIPAL RISKS AND UNCERTAINTIES

The uncertainty surrounding a successful conclusion to Brexit, brings its risks to the good working relationships previously enjoyed with our European partners.

The Directors will maintain a risk averse strategy moving forward, with a focus on the successful management of working capital, deposit investments, and KPI evaluation.

The continuance of Research and Development activities will prove pivotal in maintaining the companies enviable reputation.

No significant events occurred during the period, or are anticipated.

ON BEHALF OF THE BOARD:



G E Rhodes - Director

20 November 2018

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

The directors present their report with the financial statements of the company for the year ended 28 February 2018.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the manufacturing of precision jigs and tools.

DIVIDENDS

An interim dividend of £30 per share was paid on 28 February 2018. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 28 February 2018 will be £150,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 March 2017 to the date of this report.

E Rhodes
G E Rhodes
D Kerrigan
H Bennett

FINANCIAL INSTRUMENTS

Treasury operations and financial instruments

The group does not operate a treasury function due to the immaterial risk to liquidity, interest and foreign currency risks associated with the group's activities.

The group does not use derivative financial instruments.

Liquidity risk

The group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the group has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk

The group is exposed to cash flow interest rate risk on floating rate deposits. The group has no borrowings. The group does not use interest rate derivatives to reduce its exposure to changes in interest rates. This exposure is in the groups risk appetite.

Foreign currency risk

The group's principal foreign currency exposures arise from trading with overseas companies. Group policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling. The company does not enter into any hedging transactions.

Credit risk

Investments of cash surpluses and borrowings are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are 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 each director 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, Howard Worth, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



G E Rhodes - Director

20 November 2018

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MANUFAX ENGINEERING LIMITED

Opinion

We have audited the financial statements of Manufax Engineering Limited (the 'company') for the year ended 28 February 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 28 February 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 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 in the Strategic Report and the Report of the Directors, 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 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, 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 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 Directors 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 Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MANUFAX ENGINEERING 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 Directors.

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 four, 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 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.

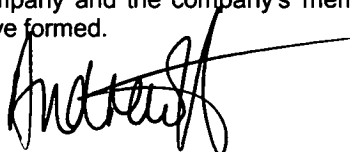
Auditors' responsibilities for the audit of the financial statements

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.



Andrew Hague BEng FCA (Senior Statutory Auditor)
for and on behalf of Howard Worth
Chartered Accountants and
Statutory Auditors
Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

20 November 2018

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2018**


	Notes	28/2/18		28/2/17	
		£	£	£	£
TURNOVER	5		7,908,029		7,664,697
Cost of sales			6,787,223		6,367,873
GROSS PROFIT			1,120,806		1,296,824
Distribution costs		263,552		253,099	
Administrative expenses		683,395		749,504	
			946,947		1,002,603
OPERATING PROFIT	8		173,859		294,221
Income from fixed asset investments			380		903
			174,239		295,124
Gain/loss on revaluation of investments			(2,119)		4,899
PROFIT BEFORE TAXATION			172,120		300,023
Tax on profit	9		(51,500)		(50,875)
PROFIT FOR THE FINANCIAL YEAR			223,620		350,898
OTHER COMPREHENSIVE INCOME			-		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			223,620		350,898

The notes form part of these financial statements

BALANCE SHEET
28 FEBRUARY 2018

	Notes	28/2/18 £	28/2/17 £
FIXED ASSETS			
Tangible assets	11	1,904,874	1,357,737
Investments	12	24,259	26,378
		<u>1,929,133</u>	<u>1,384,115</u>
CURRENT ASSETS			
Debtors	13	2,680,360	4,149,458
Cash at bank and in hand		67,982	9,940
		<u>2,748,342</u>	<u>4,159,398</u>
CREDITORS			
Amounts falling due within one year	14	2,694,216	3,582,374
NET CURRENT ASSETS		<u>54,126</u>	<u>577,024</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,983,259</u>	<u>1,961,139</u>
PROVISIONS FOR LIABILITIES	16	55,000	106,500
NET ASSETS		<u><u>1,928,259</u></u>	<u><u>1,854,639</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	5,000	5,000
Retained earnings	18	1,923,259	1,849,639
SHAREHOLDERS' FUNDS		<u><u>1,928,259</u></u>	<u><u>1,854,639</u></u>

The financial statements were approved by the Board of Directors on 20 November 2018 and were signed on its behalf by:



G E Rhodes - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2018

	Called up share capital £	Retained earnings £	Total equity £
Balance at 29 February 2016	5,000	1,748,741	1,753,741
Changes in equity			
Dividends	-	(250,000)	(250,000)
Total comprehensive income	-	350,898	350,898
Balance at 28 February 2017	<u>5,000</u>	<u>1,849,639</u>	<u>1,854,639</u>
Changes in equity			
Dividends	-	(150,000)	(150,000)
Total comprehensive income	-	223,620	223,620
Balance at 28 February 2018	<u>5,000</u>	<u>1,923,259</u>	<u>1,928,259</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

1. STATUTORY INFORMATION

Manufax Engineering 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.

The presentation currency of the financial statements is the Pound Sterling (£).

Monetary amounts in these financial statements are rounded to the nearest £.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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 requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of M N Holdings Limited as at 28 February 2018 and these financial statements may be obtained from M N Holdings Limited, Cromer Street, Stockport, Cheshire, SK1 2NP.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Profit is recognised on long term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2018

3. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 12.5% on reducing balance
Fixtures and fittings	- 12.5% on reducing balance
Motor vehicles	- 25% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2018

3. ACCOUNTING POLICIES - continued

Financial instruments

Unless the arrangement constitutes a financing arrangement, debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

Where an arrangement constitutes a financing transaction, the financial asset or liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cashflows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial liabilities

Derivatives, including interest rate swaps and foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2018**

3. ACCOUNTING POLICIES - continued

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.

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. The company also contributes to insured schemes on behalf of certain employees. Contributions payable are charged to the profit and loss account in the year they are payable.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2018

4. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements have had the most significant effect on amounts recognised in the financial statements.

Useful economic lives of tangible assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

5. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	28/2/18 £	28/2/17 £
Sale of goods	7,908,029	7,664,697
	<u>7,908,029</u>	<u>7,664,697</u>

An analysis of turnover by geographical market is given below:

	28/2/18 £	28/2/17 £
United Kingdom	4,944,414	6,584,513
Other countries	2,963,615	1,080,184
	<u>7,908,029</u>	<u>7,664,697</u>

6. EMPLOYEES AND DIRECTORS

	28/2/18 £	28/2/17 £
Wages and salaries	3,001,615	3,089,831
Social security costs	9,463	13,979
Other pension costs	97,182	108,486
	<u>3,108,260</u>	<u>3,212,296</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2018

6. EMPLOYEES AND DIRECTORS - continued

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

	28/2/18	28/2/17
Production	55	57
Administration	14	13
	<u>69</u>	<u>70</u>

7. DIRECTORS' EMOLUMENTS

	28/2/18	28/2/17
	£	£
Directors' remuneration	149,466	194,283
Directors' pension contributions to money purchase schemes	<u>78,457</u>	<u>89,591</u>

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

Money purchase schemes	<u>4</u>	<u>4</u>
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Only the directors are considered to be key management personnel.

8. OPERATING PROFIT

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

	28/2/18	28/2/17
	£	£
Hire of plant and machinery	1,125	1,502
Other operating leases	46,847	-
Depreciation - owned assets	197,288	230,580
Profit on disposal of fixed assets	(3,008)	(1,514)
Auditors' remuneration	7,500	7,500
Foreign exchange differences	<u>(72,005)</u>	<u>33,740</u>

9. TAXATION**Analysis of the tax credit**

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

	28/2/18	28/2/17
	£	£
Current tax:		
(Over)/under provision in earlier years	-	(375)
Deferred tax	<u>(51,500)</u>	<u>(50,500)</u>
Tax on profit	<u>(51,500)</u>	<u>(50,875)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2018

9. TAXATION - continued**Reconciliation of total tax credit included in profit and loss**

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

	28/2/18 £	28/2/17 £
Profit before tax	<u>172,120</u>	<u>300,023</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	32,703	60,005
Effects of:		
Expenses not deductible for tax purposes	6,741	8,118
Income not taxable for tax purposes	(72)	(980)
Capital allowances in excess of depreciation	(26,200)	-
Depreciation in excess of capital allowances	-	29,709
Utilisation of tax losses	(13,172)	(96,670)
Adjustments to tax charge in respect of previous periods	-	(376)
Deferred tax	(51,500)	(50,500)
Dividend income	-	(181)
Total tax credit	<u>(51,500)</u>	<u>(50,875)</u>

10. DIVIDENDS

	28/2/18 £	28/2/17 £
Ordinary shares of 1 each		
Interim	<u>150,000</u>	<u>250,000</u>

11. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 March 2017	185,360	3,802,807	328,140	19,140	4,335,447
Additions	-	727,048	3,269	21,000	751,317
Disposals	-	(5,750)	-	(19,140)	(24,890)
At 28 February 2018	<u>185,360</u>	<u>4,524,105</u>	<u>331,409</u>	<u>21,000</u>	<u>5,061,874</u>
DEPRECIATION					
At 1 March 2017	160,646	2,561,033	244,661	11,370	2,977,710
Charge for year	24,714	158,429	10,549	3,596	197,288
Eliminated on disposal	-	(5,657)	-	(12,341)	(17,998)
At 28 February 2018	<u>185,360</u>	<u>2,713,805</u>	<u>255,210</u>	<u>2,625</u>	<u>3,157,000</u>
NET BOOK VALUE					
At 28 February 2018	<u>-</u>	<u>1,810,300</u>	<u>76,199</u>	<u>18,375</u>	<u>1,904,874</u>
At 28 February 2017	<u>24,714</u>	<u>1,241,774</u>	<u>83,479</u>	<u>7,770</u>	<u>1,357,737</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2018

12. FIXED ASSET INVESTMENTS

	Listed investments £
COST OR VALUATION	
At 1 March 2017	26,378
Revaluations	(2,119)
	<u>24,259</u>
At 28 February 2018	<u>24,259</u>
NET BOOK VALUE	
At 28 February 2018	<u>24,259</u>
At 28 February 2017	<u>26,378</u>

Cost or valuation at 28 February 2018 is represented by:

	Listed investments £
Valuation in 2016	20,829
Valuation in 2017	4,899
Valuation in 2018	(2,119)
Cost	650
	<u>24,259</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28/2/18 £	28/2/17 £
Trade debtors	1,865,357	3,691,221
Amounts owed by group undertakings	156,257	139,561
Amounts recoverable on contract	547,543	192,682
Other debtors	86,748	98,520
Prepayments and accrued income	24,455	27,474
	<u>2,680,360</u>	<u>4,149,458</u>

At the balance sheet date an impairment loss of £0 (2017 - £0) was recognised against trade debtors.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28/2/18 £	28/2/17 £
Trade creditors	696,878	1,065,985
Amounts owed to group undertakings	1,560,590	1,900,481
Social security and other taxes	66,064	65,688
VAT	117,508	265,103
Other creditors	22,431	1,155
Accrued expenses	230,745	283,962
	<u>2,694,216</u>	<u>3,582,374</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2018

15. FINANCIAL INSTRUMENTS

The carrying value of the company's financial instruments at 28 February 2018 were:

	28/2/18 £	28/2/17 £
Financial assets:		
Debt instruments measured at amortised cost	<u>2,499,648</u>	<u>3,982,423</u>
Financial liabilities:		
Measured at amortised cost	<u>719,309</u>	<u>1,397,931</u>

16. PROVISIONS FOR LIABILITIES

	28/2/18 £	28/2/17 £
Deferred tax	<u>55,000</u>	<u>106,500</u>
		Deferred tax £
Balance at 1 March 2017		106,500
Provided during year		37,600
Utilised during year		(89,100)
Balance at 28 February 2018		<u>55,000</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			28/2/18 £	28/2/17 £
Number:	Class:	Nominal value:		
5,000	Ordinary	1	<u>5,000</u>	<u>5,000</u>

Share capital represents the nominal value of shares that have been issued.

All shares have full voting rights and are not entitled to a fixed dividend.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2018

18. RESERVES

	Retained earnings £
At 1 March 2017	1,849,639
Profit for the year	223,620
Dividends	(150,000)
At 28 February 2018	<u>1,923,259</u>

The profit and loss reserve includes all current and prior period profits and losses net of dividends paid. Included in profit and loss is amounts not distributable of £23,609 (2017 - £25,728).

19. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in independently administered funds.

The charge to profit and loss in respect of defined contribution schemes was £97,182 (2017 - £108,486).

20. ULTIMATE PARENT COMPANY

M N Holdings Limited is regarded by the directors as being the company's ultimate parent company.

21. RELATED PARTY DISCLOSURES

Other related parties

	28/2/18 £	28/2/17 £
Sales	9,091	6,546
Purchases	49,557	39,586
Amount due from related party	<u>156,257</u>	<u>139,561</u>

The related party balance is unsecured, interest free has no fixed date of repayment and is repayable on demand.

22. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is E Rhodes.