

P Gerratt Limited
Unaudited Financial Statements
30 April 2017

EDWARD AMBER
Chartered accountant
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P Gerratt Limited
Financial Statements
Year ended 30 April 2017

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P Gerratt Limited

Directors' Report

Year ended 30 April 2017

The directors present their report and the unaudited financial statements of the company for the year ended 30 April 2017.

Directors

The directors who served the company during the year were as follows:

P J Hill
J S Hill

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 13 November 2017 and signed on behalf of the board by:



J S Hill
Director



J J Hill
Company Secretary

Registered office:
Brushworks
Baring Road
Northampton
NN5 7BA

P Gerratt Limited

Chartered Accountant's Report to the Board of Directors on the Preparation of the Unaudited Statutory Financial Statements of P Gerratt Limited

Year ended 30 April 2017

As described on the statement of financial position, the directors of the company are responsible for the preparation of the financial statements for the year ended 30 April 2017, which comprise the statement of income and retained earnings, statement of financial position and the related notes.

You consider that the company is exempt from an audit under the Companies Act 2006.

In accordance with your instructions we have compiled these financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and from information and explanations supplied to us.

EDWARD AMBER
Chartered accountant

Suite 303, Sterling House
Langston Road
Loughton
Essex
IG10 3TS

15 November 2017

P Gerratt Limited
Statement of Income and Retained Earnings
Year ended 30 April 2017

	Note	2017 £	2016 £
Turnover		2,828,492	2,717,746
Cost of sales		<u>2,124,230</u>	<u>1,901,452</u>
Gross profit		704,262	816,294
Administrative expenses		<u>392,077</u>	<u>340,584</u>
Operating profit		312,185	475,710
Other interest receivable and similar income		<u>14,339</u>	<u>36,211</u>
Profit before taxation	5	326,524	511,921
Tax on profit		<u>58,733</u>	<u>279,687</u>
Profit for the financial year and total comprehensive income		<u>267,791</u>	<u>232,234</u>
Dividends paid and payable		(385,000)	(385,000)
Retained earnings at the start of the year		<u>6,095,647</u>	<u>6,248,413</u>
Retained earnings at the end of the year		<u>5,978,438</u>	<u>6,095,647</u>

All the activities of the company are from continuing operations.

The notes on pages 5 to 10 form part of these financial statements.

P Gerratt Limited
Statement of Financial Position
30 April 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	6	1	1
Tangible assets	7	<u>529,427</u>	<u>498,757</u>
		529,428	498,758
Current assets			
Stocks	8	814,762	785,690
Debtors	9	1,223,701	1,301,011
Cash at bank and in hand		<u>3,626,869</u>	<u>3,778,411</u>
		5,665,332	5,865,112
Creditors: amounts falling due within one year	10	<u>215,322</u>	<u>267,223</u>
Net current assets		5,450,010	5,597,889
Total assets less current liabilities		<u>5,979,438</u>	<u>6,096,647</u>
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss account		<u>5,978,438</u>	<u>6,095,647</u>
Members funds		<u>5,979,438</u>	<u>6,096,647</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

For the year ending 30 April 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors responsibilities:

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

These financial statements were approved by the board of directors and authorised for issue on 13 November 2017, and are signed on behalf of the board by:



J S Hill
Director

Company registration number: 804938

The notes on pages 5 to 10 form part of these financial statements.

P Gerratt Limited
Notes to the Financial Statements
Year ended 30 April 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Brushworks, Baring Road, Northampton, NN5 7BA.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Freehold property depreciation

No depreciation has been provided on the freehold buildings, as the buildings undergo rigorous maintenance and are in a continually good state, and the expected useful life is such that any depreciation would not be material.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 May 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 13.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

P Gerratt Limited

Notes to the Financial Statements (continued)

Year ended 30 April 2017

3. Accounting policies (continued)

Income tax (continued)

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised 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 measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - Fully depreciated

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant & Machinery	- 25% on written down value (old); straight line basis over 4 years (new)
Motor Vehicles	- straight line basis over 6 to 7 years
Computer Equipment	- straight line basis over 7 years

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

P Gerratt Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2017

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured 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 the stock to its present location and condition.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

P Gerratt Limited

Notes to the Financial Statements (continued)

Year ended 30 April 2017

3. Accounting policies (continued)

Financial instruments (continued)

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

The company makes payments into defined contribution schemes on behalf of staff and directors. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds.

4. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to 8 (2016: 8).

5. Profit before taxation

Profit before taxation is stated after charging:

	2017	2016
	£	£
Depreciation of tangible assets	<u>28,630</u>	<u>18,780</u>

6. Intangible assets

	Goodwill
	£
Cost	
At 1 May 2016 and 30 Apr 2017	<u>1,000</u>
Amortisation	
At 1 May 2016 and 30 Apr 2017	<u>999</u>
Carrying amount	
At 30 April 2017	<u>1</u>

P Gerratt Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2017

7. Tangible assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Computer Equipment £	Total £
Cost					
At 1 May 2016	447,432	144,028	140,831	38,300	770,591
Additions	—	—	57,900	1,400	59,300
Disposals	—	—	(33,450)	—	(33,450)
At 30 April 2017	447,432	144,028	165,281	39,700	796,441
Depreciation					
At 1 May 2016	—	141,917	96,374	33,543	271,834
Charge for the year	—	705	26,932	993	28,630
Disposals	—	—	(33,450)	—	(33,450)
At 30 April 2017	—	142,622	89,856	34,536	267,014
Carrying amount					
At 30 April 2017	447,432	1,406	75,425	5,164	529,427
At 30 April 2016	447,432	2,111	44,457	4,757	498,757

8. Stocks

	2017 £	2016 £
Raw materials and consumables	814,762	785,690

9. Debtors

	2017 £	2016 £
Trade debtors	617,077	594,761
Other debtors	606,624	706,250
	1,223,701	1,301,011

10. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	102,049	104,711
Corporation tax	58,733	104,687
Social security and other taxes	41,150	45,664
Other creditors	13,390	12,161
	215,322	267,223

11. Directors' advances, credits and guarantees

Advances were made to J S Hill of £800,000 in the previous year of which £100,000 was repaid in the current year. All loans are interest-free and repayable on demand.

P Gerratt Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2017

12. Related party transactions

Dividends were paid to Mr P J Hill (director), and his spouse totalling £97,790. Dividends were paid to Mr J S Hill (director), and his spouse totalling £287,210.

13. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 May 2015.

No transitional adjustments were required in equity or profit or loss for the year.