

A W STOKES & SON (DRUMS) LIMITED

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2018**

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ACCOUNTANT'S REPORT TO THE BOARD OF DIRECTORS OF A W STOKES & SON (DRUMS) LIMITED ON THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018

In order to assist you to fulfil your duties under the Companies Act 2006 ("the Act"), we prepared for your approval the financial statements of A W Stokes & Son (Drums) Limited which comprise the Statement of Financial Position and the related notes in accordance with the financial reporting framework set out therein from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of A W Stokes & Son (Drums) Limited, as a body, in accordance with the terms of our engagement letter dated 12 June 2017. Our work has been undertaken solely to prepare for your approval the financial statements of A W Stokes & Son (Drums) Limited and state those matters that we have agreed to state to them in accordance with ICAEW Technical Release 07/16 AAF. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights against RSM UK Tax and Accounting Limited for any purpose or in any context. Any party other than the Board of Directors which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Tax and Accounting Limited will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

It is your duty to ensure that A W Stokes & Son (Drums) Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of A W Stokes & Son (Drums) Limited under the Act. You consider that A W Stokes & Son (Drums) Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of A W Stokes & Son (Drums) Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

RSM UK Tax and Accounting Limited

RSM UK Tax and Accounting Limited
Chartered Accountants
St Philips Point
Temple Row
Birmingham
West Midlands
B2 5AF

6/12/18

A W STOKES & SON (DRUMS) LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 30 APRIL 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	3		695,873		484,464
Current assets					
Stocks		237,990		246,101	
Debtors	4	1,294,998		1,353,793	
Cash at bank and in hand		751,599		541,073	
		<u>2,284,587</u>		<u>2,140,967</u>	
Creditors: amounts falling due within one year	5	<u>(2,012,667)</u>		<u>(1,869,670)</u>	
Net current assets			<u>271,920</u>		<u>271,297</u>
Total assets less current liabilities			<u>967,793</u>		<u>755,761</u>
Provisions for liabilities	6		<u>(73,099)</u>		<u>(51,859)</u>
Net assets			<u><u>894,694</u></u>		<u><u>703,902</u></u>
Capital and reserves					
Called up share capital	8		4,000		4,000
Profit and loss reserves			<u>890,694</u>		<u>699,902</u>
Total equity			<u><u>894,694</u></u>		<u><u>703,902</u></u>


The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 30 April 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The member has 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 have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 6/12/18 and are signed on its behalf by:


J H Stokes
Director

A W STOKES & SON (DRUMS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies

Company information

A W Stokes & Son (Drums) Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Hall Street, Lyng Trading Estate, West Bromwich, West Midlands, B70 7DN.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

The company continues to be profitable and the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

Turnover represents the value, net of value added tax, of goods and services supplied to customers during the year.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	12.5% straight line basis
Office equipment	25% straight line basis
Motor vehicles	25% reducing balance basis

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 period 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

A W STOKES & SON (DRUMS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Stocks

Stocks (including work in progress) are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

A W STOKES & SON (DRUMS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies (Continued)

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 end 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 cash flows 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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, and loans from fellow group are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of 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.

Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

A W STOKES & SON (DRUMS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The holiday year for the company ends at 31 December and employees are not entitled to carry forward any unused holiday entitlement at the reporting date.

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

A W STOKES & SON (DRUMS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies (Continued)

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date or the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Research and development

The company does not capitalise research and development expenditure, instead it is written off to profit or loss as incurred.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 31 (2017 - 29).

3 Tangible fixed assets

	Plant and machinery £	Office equipment £	Motor vehicles £	Total £
Cost				
At 1 May 2017	2,044,657	35,617	124,715	2,204,989
Additions	346,638	-	11,306	357,944
Disposals	-	-	(40,904)	(40,904)
At 30 April 2018	2,391,295	35,617	95,117	2,522,029
Depreciation and impairment				
At 1 May 2017	1,643,120	35,250	42,155	1,720,525
Depreciation charged in the year	102,724	311	17,775	120,810
Eliminated in respect of disposals	-	-	(15,179)	(15,179)
At 30 April 2018	1,745,844	35,561	44,751	1,826,156
Carrying amount				
At 30 April 2018	645,451	56	50,366	695,873
At 30 April 2017	401,537	367	82,560	484,464

A W STOKES & SON (DRUMS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

4 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	1,289,569	1,253,173
Other debtors	5,429	100,620
	<u>1,294,998</u>	<u>1,353,793</u>

5 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	1,586,147	1,475,251
Amounts due to group undertakings	194,409	128,536
Corporation tax	66,337	120,410
Other taxation and social security	133,649	112,946
Other creditors	32,125	32,527
	<u>2,012,667</u>	<u>1,869,670</u>

6 Provisions for liabilities

	2018	2017
	£	£
Deferred tax liabilities	73,099	51,859

7 Deferred taxation

The major deferred tax liabilities and assets recognised by the company are:

	Liabilities 2018	Liabilities 2017
	£	£
Balances:		
Accelerated capital allowances	<u>73,099</u>	<u>51,859</u>
Movements in the year:		
		2018
		£
Liability at 1 May 2017		51,859
Charge to profit or loss		21,240
Liability at 30 April 2018		<u>73,099</u>

A W STOKES & SON (DRUMS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

8 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
2,040 Ordinary shares of £1 each	2,040	2,040
960 Ordinary A shares of £1 each	960	960
500 Ordinary B shares of £1 each	500	500
500 Ordinary C shares of £1 each	500	500
	<u>4,000</u>	<u>4,000</u>

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	37,062	37,062
Between one and five years	111,535	129,892
In over five years	51,440	70,146
	<u>200,037</u>	<u>237,100</u>

10 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2018 £	2017 £
Acquisition of tangible fixed assets	-	218,792

11 Events after the reporting date

On 26 July 2018 a dividend of £69,000 was paid.

12 Related party transactions

During the year the company sold a motor vehicle to a director for £25,725. No balances are outstanding in respect of this transaction.