

Registrar

**Strategic Report,  
Report of the Directors and  
Financial Statements  
for the Year Ended 31 March 2018  
for  
A. Smith Gt. Bentley Ltd**



**A. Smith Gt. Bentley Ltd**

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for the year ended 31 March 2018**

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**A. Smith Gt. Bentley Ltd**  
**Company Information**  
**for the year ended 31 March 2018**

**DIRECTORS:**

S M B Hare  
M B Hare  
D R Newton  
N D Egner  
M H Corduff

**SECRETARY:**

S J L Magnin

**REGISTERED OFFICE:**

Centre Park  
Clacton Road  
Frating  
Essex  
CO7 7DL

**REGISTERED NUMBER:**

01112118 (England and Wales)

**AUDITORS:**

Tile & Co  
Warden House  
37 Manor Road  
Colchester  
Essex  
CO3 3LX

**A. Smith Gt. Bentley Ltd**

**Strategic Report  
for the year ended 31 March 2018**

The directors present their strategic report for the year ended 31 March 2018.

**REVIEW OF BUSINESS**

ASGB has a worldwide reputation as a specialist design, engineering and manufacturing company for specialist vehicles based in Frating, Essex and employing almost 100 staff. Its main areas of activity have been in the outside broadcasting (OB), power generation and medical sectors. In recent years the majority of turnover and profit has come from the broadcasting sector.

Before the commencement of this financial year directors became aware of certain risks to its broadcasting business which were very likely to lead to a downturn in sales and profitability in this market. These included lower oil prices and political uncertainty in its core markets of Middle East and ex-Soviet Countries (CIS); also technical broadcasting standards were changing alongside the emergence of ultra-high definition TV (4K) however there was a battle between competing technologies which would lead to a deferment of OB purchases until a new standard was established.

For this reason the directors pushed for a pivot towards the medical sector to compensate for the impending broadcasting downturn and management with medical sector experience was hired. However the company was unsuccessful in this quest and furthermore one very large tender for the NHS was cancelled after ASGB incurred significant costs which led to Work in Progress in the order of hundreds of thousands of pounds being written off.

As a result of the constellation of all of these factors the company endured an exceptionally bad result in the period. Sales at £4.4m were down 42% on the prior year and a total comprehensive loss of £415,000 was posted compared to a profit of £180,000 for the year ended March 2017.

On 26th March 2018 Mike Corduff was appointed Managing Director and in the following months he took control of the business through his shareholding in Bold Ltd, ASGB's holding company. Mike owns two other engineering companies in North East Essex and there are significant synergies between all three businesses. Bold Ltd has been recapitalised and a renewed design-led focus on selling at competitive prices has enabled ASGB to win orders to the value of £8.5m post year end. Although Middle East and CIS markets are still subdued the technical challenges in the OB market have been largely overcome: ASGB won a £2.6m order to develop new-concept broadcasting vehicles for EMG, a very large French-based facilities company. There is an expectation that similar sized orders will follow for other parts of the group and from other large national and international facilities companies. There has also been a modest rebound in Medical orders and the directors believe that there is significant potential in this sector in the ensuing years. Since summer 2018 the company has returned to profitability.

**Strategic Report  
for the year ended 31 March 2018**

**PRINCIPAL RISKS AND UNCERTAINTIES**

**Brexit risks**

During the course of the year and subsequent to the balance sheet date the directors have convened monthly to assess the Brexit risk to the business. As mentioned above the company is an active exporter to the EEA and sees this as an ongoing significant market.

**Tariffs** The maximum external EU tariff on our products is 3%. The impact of this on trading is minimal.

**Currency** New EU contracts are priced in EUR - this also permits the company flexibility to engage more with EU-based suppliers. This will then provide a natural currency hedge. ASGB monitors currency exposure carefully and where necessary will hedge future cashflows. It has a new Forex partner for this purpose.

**Border Delays** ASGB does not participate in JIT production and with lead times measured in months it does not expect to be impacted by border hold ups.

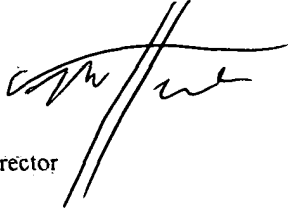
**Type Approval** ASGB is in the process of moving its type approval process to a Dutch certifying company.

**EU Employees** Fewer than 5% of ASGB's employees are EU nationals; ASGB does not anticipate any staffing problems.

**Other Risks**

The company ensures that the payment profile for its contracts requires the minimum of working capital - we also ensure that all contracts are fully paid before vehicles are despatched. Except for EUR business mentioned above all contracts are denominated in Sterling. The company expects interest rates to remain low for the foreseeable future.

**ON BEHALF OF THE BOARD:**



S M B Hare - Director

20 December 2018

## **A. Smith Gt. Bentley Ltd**

### **Report of the Directors for the year ended 31 March 2018**

The directors present their report with the financial statements of the company for the year ended 31 March 2018.

#### **DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2018.

#### **RESEARCH AND DEVELOPMENT**

Following the change in ownership of the company's parent company in the post balance sheet period ASGB has re-invigorated its Research and Development plans. The company has already introduced new Smiths product ranges for its generator and pod business and is rolling out this concept into other product areas.

The company is working closely with Essex University and expects to enrol in its Knowledge Transfer Partnership (KTP) for medical product research in early 2019.

#### **FUTURE DEVELOPMENTS**

As mentioned under Research and Development above the company is in the process of introducing new mid-market product ranges. With emphasis on competitive pricing and quick delivery turnaround. These new ranges will not impact the company's commitment to its high end bespoke range of products for which it is in many cases world famous.

#### **DIRECTORS**

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

S M B Hare  
M B Hare  
D R Newton  
N D Egner

Other changes in directors holding office are as follows:

M H Corduff - appointed 26 March 2018  
G B Coutts - resigned 23 March 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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.

**A. Smith Gt. Bentley Ltd**

**Report of the Directors  
for the year ended 31 March 2018**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**  
**Financial risk management**

A. Smith Gt. Bentley Limited has an active policy of reducing its financial risk and optimising cash flow. The directors review the strategic plan and budget to ensure that the risk of over-leverage is minimised. The company negotiates the best staged project payment terms with its customers and ensures that for large projects cash is collected pre product despatch. For all such projects a deposit is received at the commencement of work.

The company generates regular cash flow forecasts and ensures it has an optimal level of headroom. A portion of its debt is at a fixed interest rate. It has limited foreign currency exposure as the majority of its contracts are denominated in Sterling.

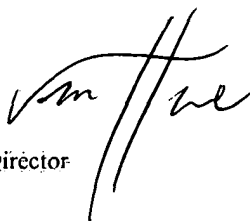
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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, Tile & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



S M B Hare - Director

20 December 2018

**Independent Auditors' Report to the Members of  
A. Smith Gt. Bentley Ltd**

**Opinion**

We have audited the financial statements of A. Smith Gt. Bentley Ltd (the 'company') for the year ended 31 March 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 31 March 2018 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.

**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 Auditors' Report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**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.



**Independent Auditors' Report to the Members of  
A. Smith Gt. Bentley Ltd**

**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 pages four and five, 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.

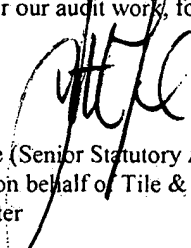
**Auditors' responsibilities for the audit of the financial statements**

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 an Auditors' Report 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**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 an Auditors' 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.



J W Tile (Senior Statutory Auditor)  
for and on behalf of Tile & Co Tile & Co  
Colchester

20 December 2018

A. Smith Gt. Bentley Ltd

Statement of Comprehensive Income  
for the year ended 31 March 2018

	Notes	2018 £'000	2017 £'000
<b>TURNOVER</b>	4	4,430	7,737
Cost of sales		4,034	6,153
<b>GROSS PROFIT</b>		396	1,584
Administrative expenses		1,165	1,306
<b>OPERATING (LOSS)/PROFIT</b>	7	(769)	278
Interest payable and similar expenses	8	(100)	(98)
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(869)	180
Tax on (loss)/profit	9	(98)	-
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		(771)	180
<b>OTHER COMPREHENSIVE INCOME</b>			
Gains arising on revaluation of tangible fixed assets		408	-
Income tax relating to other comprehensive income		(52)	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		356	-
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR</b>		(415)	180

The notes form part of these financial statements

A. Smith Gt. Bentley Ltd (Registered number: 01112118)

Balance Sheet  
31 March 2018

	Notes	2018 £'000	2017 £'000
<b>FIXED ASSETS</b>			
Intangible assets	11	32	36
Tangible assets	12	3,801	3,483
		<u>3,833</u>	<u>3,519</u>
<b>CURRENT ASSETS</b>			
Stocks	13	507	528
Debtors	14	3,325	4,109
Cash in hand		3	1
		<u>3,835</u>	<u>4,638</u>
<b>CREDITORS</b>			
Amounts falling due within one year	15	2,274	2,243
<b>NET CURRENT ASSETS</b>		<u>1,561</u>	<u>2,395</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,394</u>	<u>5,914</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	16	(1,460)	(1,542)
<b>PROVISIONS FOR LIABILITIES</b>	20	(25)	(48)
<b>NET ASSETS</b>		<u><u>3,909</u></u>	<u><u>4,324</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	21	6	6
Share premium	22	5	5
Revaluation reserve	22	1,653	1,297
Retained earnings	22	2,245	3,016
<b>SHAREHOLDERS' FUNDS</b>	25	<u><u>3,909</u></u>	<u><u>4,324</u></u>

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



S M B Hare - Director

The notes form part of these financial statements

**A. Smith Gt. Bentley Ltd**

**Statement of Changes in Equity  
for the year ended 31 March 2018**

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Revaluation reserve £'000	Total equity £'000
<b>Balance at 1 April 2016</b>	6	3,086	5	1,297	4,394
<b>Changes in equity</b>					
Dividends	-	(250)	-	-	(250)
Total comprehensive income	-	180	-	-	180
<b>Balance at 31 March 2017</b>	6	3,016	5	1,297	4,324
<b>Changes in equity</b>					
Total comprehensive loss	-	(771)	-	356	(415)
<b>Balance at 31 March 2018</b>	6	2,245	5	1,653	3,909

The notes form part of these financial statements

## **A. Smith Gt. Bentley Ltd**

### **Notes to the Financial Statements for the year ended 31 March 2018**

#### **1. COMPANY INFORMATION**

A. Smith Gt. Bentley Limited (the Company) is a company incorporated in the United Kingdom under the Companies Act.

The Company is a private Company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The principal activities of the Company are set out in the strategic report.

#### **2. STATUTORY INFORMATION**

A. Smith Gt. Bentley Ltd 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.

#### **3. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

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

The financial statements are presented in Sterling (£).

##### **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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- 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 requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

##### **Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

##### **Significant judgements and estimates**

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors are of the opinion that none of the judgements, estimates or assumptions made in the period are sufficiently significant to require disclosure over and above that found elsewhere in the financial statements.

**Notes to the Financial Statements - continued  
for the year ended 31 March 2018**

**3. ACCOUNTING POLICIES - continued**

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The attributable profits on long-term contracts are recognised once their outcome can be assessed with reasonable certainty. The profit recognised reflects the cost of work done to date and the estimate of costs to complete, with revenue recognised in the same proportion.

Full provision is made for all losses on contracts in the year in which losses are first foreseen.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Development costs are being amortised evenly over their estimated useful life of nil years.

**Development costs**

Capitalised development costs are stated at cost or valuation less amortisation. Amortisation is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives. This period is between 3 and 5 years. Provision is made for any impairment.

Amortisation is charged to administrative expenses in the income statement.

Development costs have been capitalised in accordance with FRS 102 Section 18 Intangible Assets other than Goodwill and are therefore not treated, for dividend purposes, as a realised loss.

**Tangible fixed assets**

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

Freehold property	- 2% on valuation, 20% on additions
Long leasehold	- Over the period of the lease
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 33% on reducing balance and 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Other fixed assets	- 33% on cost and 20% on cost

Freehold properties are revalued to fair value every year with the surplus or deficit on book value being transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account.

**Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

**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.

**Notes to the Financial Statements - continued  
for the year ended 31 March 2018**

**3. ACCOUNTING POLICIES - continued**

**Deferred tax**

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

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

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

**Research and development**

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

**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.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Leases - accounting as lessor**

Where the company retains substantially all the risks and rewards of ownership of the asset subject to the lease the asset is shown within tangible fixed assets and depreciated over its useful life. Rental income from these operating leases is recognised on a straight-line basis over the period of the lease. Operating lease incentives offered by the company are accounted for as a reduction of the rental income and allocated over the shorter of the lease term and the period to the first rent review where market rentals will be receivable.

Where the company does not retain substantially all the risks and rewards of ownership no tangible fixed is recognised. Instead the amount due from the lessee under the finance lease is recorded as turnover and as a debtor in the balance sheet at the amount of the net investment in the lease.

**Financial instruments**

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.

Short term trade 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.

# A. Smith Gt. Bentley Ltd

## Notes to the Financial Statements - continued for the year ended 31 March 2018

### 3. ACCOUNTING POLICIES - continued

#### Going concern

The financial statements have been prepared on a going concern basis, which assumes that the company will continue to trade for the foreseeable future. While the cashflow results for the period are disappointing, the company has returned to profitability, the balance sheet remains healthy and the company continues to have positive net assets and shareholders' funds.

#### Warranties

Provisions for the expected cost of warranty obligations under standard sales terms are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Company's obligation.

### 4. TURNOVER

The turnover and loss (2017 - profit) before taxation are attributable to the one principal activity of the company.

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

	2018 £'000	2017 £'000
Sales of goods	4,405	7,712
Rental Income	25	25
	<u>4,430</u>	<u>7,737</u>

An analysis of turnover by geographical market is given below:

	2018 £'000	2017 £'000
United Kingdom	2,291	4,884
Other EEA countries	177	47
CIS	575	1,284
Middle East / Africa	-	46
Far East / Oceania	1,387	1,063
USA	-	413
	<u>4,430</u>	<u>7,737</u>

### 5. EMPLOYEES AND DIRECTORS

	2018 £'000	2017 £'000
Wages and salaries	2,492	3,166
Social security costs	241	318
Other pension costs	113	140
	<u>2,846</u>	<u>3,624</u>



**A. Smith Gt. Bentley Ltd**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2018**

**5. EMPLOYEES AND DIRECTORS - continued**

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

	2018	2017
Production staff	67	81
Administrative staff	27	27
	<u>94</u>	<u>108</u>

**6. DIRECTORS' EMOLUMENTS**

	2018	2017
	£	£
Directors' remuneration	181,580	239,146
Directors' pension contributions to money purchase schemes	<u>5,778</u>	<u>10,171</u>

**7. OPERATING (LOSS)/PROFIT**

The operating loss (2017 - operating profit) is stated after charging/(crediting):

	2018	2017
	£'000	£'000
Hire of plant and machinery	-	21
Other operating leases	20	30
Depreciation - owned assets	84	98
Loss/(profit) on disposal of fixed assets	3	(3)
Development costs amortisation	<u>10</u>	<u>-</u>

**8. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2018	2017
	£'000	£'000
Bank interest	16	-
Bank loan interest	52	68
Other loans	24	20
Other interest	<u>8</u>	<u>10</u>
	<u>100</u>	<u>98</u>

**9. TAXATION**

**Analysis of the tax credit**

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

	2018	2017
	£'000	£'000
Current tax:		
UK corporation tax	(46)	-
Deferred tax:	<u>(52)</u>	<u>-</u>
Tax on (loss)/profit	<u>(98)</u>	<u>-</u>

**Notes to the Financial Statements - continued  
for the year ended 31 March 2018**

**9. TAXATION - continued****Tax effects relating to effects of other comprehensive income**

	<b>2018</b>		
	<b>Gross</b>	<b>Tax</b>	<b>Net</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Gains arising on revaluation of tangible fixed assets	408	(52)	356
	<u>408</u>	<u>(52)</u>	<u>356</u>
	<u><u>408</u></u>	<u><u>(52)</u></u>	<u><u>356</u></u>
	<b>2017</b>		
	<b>Gross</b>	<b>Tax</b>	<b>Net</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Gains arising on revaluation of tangible fixed assets	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the latest rates substantively enacted by the balance sheet date being 20% with effect from 1 April 2015, 19% effective from 1 April 2017 and 18% effective from 1 April 2020. The closing deferred tax assets and liabilities have been calculated at 20%, on the basis that this is the rate at which those assets and liabilities are expected to unwind.

A reduction to the UK corporation tax rate was announced in the 2016 Budget to further reduce the tax rate to 17% (to be effective from 1 April 2020). Existing temporary differences on which deferred tax has been provided may therefore unwind in future periods subject to this reduced rate. This rate change is to be included in the Finance Bill 2016 but this has not been substantively enacted at the balance sheet date.

**10. DIVIDENDS**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Ordinary shares of £0.05 each		
Final	<u>-</u>	<u>250</u>

Notes to the Financial Statements - continued  
for the year ended 31 March 2018

## 11. INTANGIBLE FIXED ASSETS

	Development costs £'000
<b>COST</b>	
At 1 April 2017	43
Reclassification/transfer	6
At 31 March 2018	49
<b>AMORTISATION</b>	
At 1 April 2017	7
Amortisation for year	10
At 31 March 2018	17
<b>NET BOOK VALUE</b>	
At 31 March 2018	32
At 31 March 2017	36

## 12. TANGIBLE FIXED ASSETS

	Freehold property £'000	Long leasehold £'000	Plant and machinery £'000
<b>COST OR VALUATION</b>			
At 1 April 2017	3,280	53	1,144
Disposals	-	-	(35)
Revaluations	320	-	-
Reclassification/transfer	-	-	(38)
At 31 March 2018	3,600	53	1,071
<b>DEPRECIATION</b>			
At 1 April 2017	44	52	918
Charge for year	44	-	28
Eliminated on disposal	-	-	(29)
Revaluation adjustments	(88)	-	-
Reclassification/transfer	-	-	(2)
At 31 March 2018	-	52	915
<b>NET BOOK VALUE</b>			
At 31 March 2018	3,600	1	156
At 31 March 2017	3,236	1	226

A. Smith Gt. Bentley Ltd

Notes to the Financial Statements - continued  
for the year ended 31 March 2018

12. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £'000	Motor vehicles £'000	Other fixed assets £'000	Totals £'000
<b>COST OR VALUATION</b>				
At 1 April 2017	406	57	9	4,949
Additions	6	-	-	6
Disposals	-	-	-	(35)
Revaluations	-	-	-	320
Reclassification/transfer	(2)	(24)	-	(64)
At 31 March 2018	410	33	9	5,176
<b>DEPRECIATION</b>				
At 1 April 2017	402	43	7	1,466
Charge for year	8	3	1	84
Eliminated on disposal	-	-	-	(29)
Revaluation adjustments	-	-	-	(88)
Reclassification/transfer	(32)	(24)	-	(58)
At 31 March 2018	378	22	8	1,375
<b>NET BOOK VALUE</b>				
At 31 March 2018	32	11	1	3,801
At 31 March 2017	4	14	2	3,483

Included in cost or valuation of land and buildings is freehold land of £1,071,000 (2017 - £1,071,000) which is not depreciated.

Cost or valuation at 31 March 2018 is represented by:

	Freehold property £'000	Long leasehold £'000	Plant and machinery £'000	
Valuation in 2014	152	-	-	
Valuation in 2015	458	-	-	
Valuation in 2016	240	-	-	
Valuation in 2018	320	-	-	
Cost	2,430	53	1,071	
	<u>3,600</u>	<u>53</u>	<u>1,071</u>	
	Fixtures and fittings £'000	Motor vehicles £'000	Other fixed assets £'000	Totals £'000
Valuation in 2014	-	-	-	152
Valuation in 2015	-	-	-	458
Valuation in 2016	-	-	-	240
Valuation in 2018	-	-	-	320
Cost	410	33	9	4,006
	<u>410</u>	<u>33</u>	<u>9</u>	<u>5,176</u>

**A. Smith Gt. Bentley Ltd**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2018**

**12. TANGIBLE FIXED ASSETS - continued**

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

	2018 £'000	2017 £'000
Cost	2,390	2,390
Aggregate depreciation	(585)	(585)
Value of land in freehold land and buildings	56	56

Freehold land and buildings were valued on an open market basis on 23 September 2015 by Strutt & Parker LLP.

**13. STOCKS**

	2018 £'000	2017 £'000
Raw materials	210	253
Work-in-progress	297	275
	507	528

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £'000	2017 £'000
Trade debtors	176	580
Amounts owed by group undertakings	2,892	2,864
Amounts recoverable on contract	104	409
Tax	82	68
VAT	-	126
Deferred tax asset	16	16
Prepayments and accrued income	55	46
	3,325	4,109

Deferred tax asset

	2018 £'000	2017 £'000
Accelerated capital allowances	(27)	(58)
Tax losses carried forward	273	252
Other timing differences	(230)	(178)
	16	16

**A. Smith Gt. Bentley Ltd**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2018**

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2017
	£'000	£'000
Bank loans and overdrafts (see note 17)	793	224
Hire purchase contracts (see note 18)	-	5
Payments on account	31	521
Trade creditors	268	864
Social security and other taxes	287	83
VAT	66	-
Pension control	39	20
Other loans	600	400
Loan: Mr M B Hare	120	-
Accruals and deferred income	70	126
	<u>2,274</u>	<u>2,243</u>

**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2018	2017
	£'000	£'000
Bank loans (see note 17)	<u>1,460</u>	<u>1,542</u>

**17. LOANS**

An analysis of the maturity of loans is given below:

	2018	2017
	£'000	£'000
Amounts falling due within one year or on demand:		
Bank overdrafts	705	136
Bank loans	88	88
	<u>793</u>	<u>224</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>88</u>	<u>88</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>263</u>	<u>263</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>1,109</u>	<u>1,191</u>

**A. Smith Gt. Bentley Ltd**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2018**

**18. LEASING AGREEMENTS**

Minimum lease payments under hire purchase fall due as follows:

	2018 £'000	2017 £'000
Net obligations repayable:		
Within one year	<u>5</u>	<u>5</u>

**19. SECURED DEBTS**

The following secured debts are included within creditors:

	2018 £'000	2017 £'000
Bank loans	1,548	1,630
Hire purchase contracts	<u>5</u>	<u>5</u>
	<u>1,548</u>	<u>1,635</u>

The bank loan is secured by fixed and floating charges over the company and all its property and assets. The loan is repayable initially in equal monthly instalments of £7,333 with a final instalment of £1,327,334 due on the final repayment date and interest is charged at 2.95% per annum above the Royal Bank of Scotland's base rate.

The hire purchase liability is secured on the asset to which it relates.

The loan from Mr M B Hare amounting to £120,000 is repayable on demand and is secured against specific chattels of the company.

**20. PROVISIONS FOR LIABILITIES**

	2018 £'000	2017 £'000
Other provisions	<u>25</u>	<u>48</u>
	Deferred tax	Warranty provision
	£'000	£'000
Balance at 1 April 2017	(16)	48
Provided during year	-	(23)
Provided on revaluation		
	<u>(16)</u>	<u>25</u>
Balance at 31 March 2018		

The warranty provision covers the cost of any future repairs on recent sales in line with standard sales terms.

**21. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018 £'000	2017 £'000
121,944	Ordinary	£0.05	<u>6</u>	<u>6</u>

**A. Smith Gt. Bentley Ltd**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2018**

**22. RESERVES**

	Retained earnings £'000	Share premium £'000	Revaluation reserve £'000	Totals £'000
At 1 April 2017	3,016	5	1,297	4,318
Deficit for the year	(771)			(771)
Surplus on revaluation of freehold property	-	-	356	356
At 31 March 2018	<u>2,245</u>	<u>5</u>	<u>1,653</u>	<u>3,903</u>

**23. ULTIMATE PARENT COMPANY**

Bold Limited is regarded by the directors as being the company's ultimate parent company.

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Bold Limited. Copies of the group accounts can be obtained from Companies House.

**24. ULTIMATE CONTROLLING PARTY**

The controlling party is M H Corduff.

**25. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2018 £'000	2017 £'000
(Loss)/profit for the financial year	(771)	180
Dividends	-	(250)
	<u>(771)</u>	<u>(70)</u>
Other comprehensive income relating to the year (net)	356	-
Net reduction of shareholders' funds	<u>(415)</u>	<u>(70)</u>
Opening shareholders' funds	4,324	4,394
Closing shareholders' funds	<u>3,909</u>	<u>4,324</u>