

Company Registration No. 01621737 (England and Wales)

COLUMBIA PRECISION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

TUESDAY



A6LN4K14

A04

19/12/2017

#390

COMPANIES HOUSE

COLUMBIA PRECISION LIMITED

COMPANY INFORMATION

DIRECTORS	Mr N E Holmes Mr A Killion Mr E C Yarnall
SECRETARY	Mr A Killion
COMPANY NUMBER	01621737
REGISTERED OFFICE	140 Cheston Road Aston Birmingham West Midlands B7 5EH
AUDITOR	JW Hinks LLP Chartered Accountants and Registered Auditor 19 Highfield Road Edgbaston Birmingham B15 3BH

CONTENTS

	PAGE
Strategic report	1 – 2
Directors' report	3 – 4
Directors' responsibilities statement	5
Independent auditor's report	6 – 7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11 – 27

COLUMBIA PRECISION LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present the strategic report for the year ended 31 March 2017.

FAIR REVIEW OF THE BUSINESS

The directors aim to present a balanced and comprehensive review of the development and performance of our business during the year and of its position at the year end.

The review is consistent with the size and nature of our business and is written in the context of the company as a whole.

We consider that the key financial performance indicators which communicate the financial performance and strength of the company as a whole are turnover and net assets.

The turnover and net assets of the company during the years ended 31 March 2017 and 31 March 2016 were as follows.

	2017	2016
	£	£
Turnover	4,897,679	4,455,744
Net assets	4,919,127	4,397,261

Trading performance during the year ended 31 March 2017

An increase in turnover has been achieved despite the pressure on prices from foreign competition. There is still no sign of the return of Oil and Gas to anything like the volumes seen in previous years but the Directors attribute this entirely to the lack of intervention by the Government who do not seem to be bothered that this industry has declined. Without doubt the most significant event was the fall in the US dollar which has eroded the profit performance and prices achieved throughout the latter half of the year and into 2018. We do not see the Company clawing this back in the current financial year.

Business environment during the year ended 31 March 2018

The Company's balance sheet and cash position remains strong at March 2017. The Company continues to spend significant amounts of the Group's funds to ensure the work it has remains in the UK by way of investment in plant and people. New projects being developed during 2016–2017 have been placed on hold pending the outcome of the Brexit negotiations and we are not expecting to see any expansion for 2018 or 2019 unless the Government become decisive in this respect.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the directors' strategy are subject to a number of risks and uncertainties.

The key business risks and uncertainties affecting the company are set out below.

Risks are reviewed by the directors and appropriate processes have been put in place to monitor and mitigate them.

Future outlook

During the year ended 31 March 2017 the company has continued to invest in its equipment and staff in order to help increase growth.

Competition

Corporate risk and exposure to competition is mitigated through factors such as complying with high quality manufacturing processes and systems.

Human resources

The company's ability to recruit and retain staff is key to the future growth of the business. The directors place a significant emphasis on the recruitment, retention and performance of the company's staff.

Quality standards

It is of utmost importance to the company that the company's manufacturing processes and systems are at a standard expected from the company and by its customers.

IT and finance systems

It is important that reliable and robust IT and financial systems and processes are in place that enable the company to operate effectively and efficiently.

An infrastructure investment programme is in place to ensure that company and financial IT hardware and software are upgraded and replaced on an ongoing basis.

Finance systems, processes and controls are managed by an experienced and qualified finance team to support business needs and to pay suppliers and employees accurately and on a timely basis.

On behalf of the board



Mr N E Holmes

DIRECTOR

15 December 2017

COLUMBIA PRECISION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present their annual report and financial statements for the year ended 31 March 2017.

PRINCIPAL ACTIVITIES

The principal activity of the company continued to be that of precision engineering.

DIRECTORS

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr N E Holmes

Mr A Killion

Mr E C Yarnall

Mrs J N Holmes

(Resigned 22 December 2016)

RESULTS AND DIVIDENDS

The results for the year are set out on page 8.

No interim dividend was paid during the year. The directors recommend a final dividend of £12.992 per share.

The total distribution of dividends for the year ended 31 March 2017 will be £130,000.

FINANCIAL INSTRUMENTS

Treasury operations and financial instruments

The company's principal financial instruments comprise cash and bank overdrafts and other loans. The main purpose of these financial instruments is to raise finance for the company's operations. The company has various other financial instruments such as trade debtors and trade creditors which arise directly from its operations. The company does not enter into derivative transactions.

It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the company's financial instruments are interest rate risk, credit risk and liquidity risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Liquidity risk

The company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash.

Interest rate risk

The company's exposure to market risk for changes in interest rates is limited to the company's bank overdraft.

The additional requirement for medium to long term debt finance will be reviewed by the directors based on the company's forecast working capital requirements.

COLUMBIA PRECISION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Credit risk

The company trades with only recognised, credit worthy third parties. It is the company's policy that all customers who wish to trade on credit terms are subject to credit vetting procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is minimal.

AUDITOR

The auditors, J W Hinks LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

STATEMENT OF DISCLOSURE TO AUDITOR

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr N E Holmes

DIRECTOR

15 December 2017

COLUMBIA PRECISION LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2017

The directors are responsible for preparing the annual report 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

COLUMBIA PRECISION LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COLUMBIA PRECISION LIMITED

We have audited the financial statements of Columbia Precision Limited for the year ended 31 March 2017 set out on pages 8 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained in more detail in the Directors' Report set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

COLUMBIA PRECISION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF COLUMBIA PRECISION 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 and the Directors' Report.

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.

N.A. Aston .

**NEAL ASTON ACA ACCA (SENIOR STATUTORY AUDITOR)
FOR AND ON BEHALF OF JW HINKS LLP
CHARTERED ACCOUNTANTS AND REGISTERED AUDITOR
19 Highfield Road
Edgbaston
Birmingham
B15 3BH**

15 December 2017

COLUMBIA PRECISION LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	2016 £
TURNOVER	3	4,897,679	4,455,744
Cost of sales		(3,566,917)	(3,452,925)
GROSS PROFIT		1,330,762	1,002,819
Administrative expenses		(717,999)	(653,027)
Other operating income		9,181	9,181
OPERATING PROFIT	4	621,944	358,973
Interest receivable and similar income	7	1,857	2,637
Interest payable and similar expenses	8	(28,904)	(17,538)
Movement in provision against loan to associates	9	61,244	(397,237)
PROFIT/(LOSS) BEFORE TAXATION		656,141	(53,165)
Taxation	10	(4,275)	35,349
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		651,866	(17,816)

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

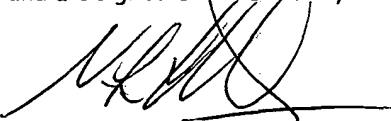
COLUMBIA PRECISION LIMITED

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
FIXED ASSETS					
Tangible assets	12	1,833,930		2,020,523	
CURRENT ASSETS					
Stocks	13	309,680		347,415	
Debtors	14	3,669,131		3,364,764	
Cash at bank and in hand		741,073		576,031	
		<u>4,719,884</u>		<u>4,288,210</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	15	<u>(1,106,640)</u>		<u>(1,206,019)</u>	
NET CURRENT ASSETS		<u>3,613,244</u>		<u>3,082,191</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,447,174</u>		<u>5,102,714</u>	
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	16	(306,987)		(488,599)	
PROVISIONS FOR LIABILITIES	18	(221,060)		(216,854)	
NET ASSETS		<u><u>4,919,127</u></u>		<u><u>4,397,261</u></u>	
CAPITAL AND RESERVES					
Called up share capital	22	10,006		10,006	
Profit and loss reserves		<u>4,909,121</u>		<u>4,387,255</u>	
TOTAL EQUITY		<u><u>4,919,127</u></u>		<u><u>4,397,261</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 15 December 2017 and are signed on its behalf by:



Mr N E Holmes
DIRECTOR

COMPANY REGISTRATION NO. 01621737

COLUMBIA PRECISION LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
BALANCE AT 1 APRIL 2015		10,006	4,535,071	4,545,077
YEAR ENDED 31 MARCH 2016:				
Loss and total comprehensive income for the year		-	(17,816)	(17,816)
Dividends	11	-	(130,000)	(130,000)
BALANCE AT 31 MARCH 2016		10,006	4,387,255	4,397,261
YEAR ENDED 31 MARCH 2017:				
Profit and total comprehensive income for the year		-	651,866	651,866
Dividends	11	-	(130,000)	(130,000)
BALANCE AT 31 MARCH 2017		<u>10,006</u>	<u>4,909,121</u>	<u>4,919,127</u>

COLUMBIA PRECISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 ACCOUNTING POLICIES

COMPANY INFORMATION

Columbia Precision Limited is a private company limited by shares incorporated in England and Wales. The registered office and trading address is 140 Cheston Road, Aston, Birmingham, West Midlands, B7 5EH.

1.1 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.

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 £1.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Ephraim Group Limited. These consolidated financial statements are available from its registered office, 140 Cheston Road, Aston, Birmingham, B7 5EH.

Columbia Precision Limited is a wholly owned subsidiary of Ephraim Group Limited and the results of Columbia Precision Limited are included in the consolidated financial statements of Ephraim Group Limited which are available from 140 Cheston Road, Aston, Birmingham, B7 5EH.

1.2 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.

1 ACCOUNTING POLICIES

(Continued)

1.3 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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

1.4 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:

Leasehold property	over period of lease
Plant and machinery	10% on cost
Fixtures, fittings & equipment	33% on cost
Motor vehicles	25% on cost

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.

1.5 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.

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.

1 ACCOUNTING POLICIES

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 STOCKS

Stocks 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

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.

1.7 CASH AND CASH EQUIVALENTS

Cash at bank and in hand are basic financial assets and 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.

1.8 FINANCIAL INSTRUMENTS

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet 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 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 ACCOUNTING POLICIES

(Continued)

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 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 creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1 ACCOUNTING POLICIES

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward 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.

Derecognition of financial liabilities

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

1.9 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.

1.10 TAXATION

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred taxation is accounted for on an undiscounted basis at expected tax rates on all differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be deducted.

1 ACCOUNTING POLICIES

(Continued)

1.11 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 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.

1.12 RETIREMENT BENEFITS

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

1.13 LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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 lease asset are consumed.

1.14 GOVERNMENT GRANTS

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.15 FOREIGN EXCHANGE

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 ACCOUNTING POLICIES**(Continued)****1.16 RESEARCH AND DEVELOPMENT**

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

2 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.

3 TURNOVER AND OTHER REVENUE

An analysis of the company's turnover is as follows:

	2017 £	2016 £
TURNOVER ANALYSED BY CLASS OF BUSINESS		
Sales of goods	4,897,679	4,455,744
	2017 £	2016 £
OTHER SIGNIFICANT REVENUE		
Interest income	1,857	2,637
Grants received	9,181	9,181
	2017 £	2016 £
TURNOVER ANALYSED BY GEOGRAPHICAL MARKET		
United Kingdom	2,775,654	2,360,991
Europe	124,996	241,947
Rest of the World	1,997,029	1,852,806
	4,897,679	4,455,744

COLUMBIA PRECISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

4 OPERATING PROFIT

	2017	2016
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	50,934	(6,128)
Government grants	(9,181)	(9,181)
Fees payable to the company's auditor for the audit of the company's financial statements	4,200	4,200
Depreciation of owned tangible fixed assets	274,455	270,764
Depreciation of tangible fixed assets held under finance leases	112,070	127,105
Profit on disposal of tangible fixed assets	-	(6,688)
Cost of stocks recognised as an expense	1,281,155	1,106,217
Operating lease charges	89,000	54,000
	<u> </u>	<u> </u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £50,934 (2016 – £6,128).

5 EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was:

	2017	2016
	Number	Number
Production and inspection	40	39
Administration	8	8
Directors	3	4
	<u> </u>	<u> </u>
	51	51
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2017	2016
	£	£
Wages and salaries	1,720,459	1,818,567
Social security costs	181,943	194,501
Pension costs	29,863	25,821
	<u> </u>	<u> </u>
	1,932,265	2,038,889
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

6 DIRECTORS' REMUNERATION

	2017	2016
	£	£
Remuneration for qualifying services	382,561	420,246
Company pension contributions to defined contribution schemes	1,208	2,550
	<u>383,769</u>	<u>422,796</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2016 – 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2017	2016
	£	£
Remuneration for qualifying services	171,737	168,570
Company pension contributions to defined contribution schemes	93	822
	<u>171,830</u>	<u>169,392</u>

7 INTEREST RECEIVABLE AND SIMILAR INCOME

	2017	2016
	£	£
INTEREST INCOME		
Interest on bank deposits	1,857	2,637
	<u>1,857</u>	<u>2,637</u>

8 INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	£	£
Interest on finance leases and hire purchase contracts	28,904	17,538
	<u>28,904</u>	<u>17,538</u>

9 MOVEMENT IN PROVISION AGAINST LOANS TO ASSOCIATES

	2017	2016
	£	£
Movement in provision against loans to associate	61,244	(397,237)
	<u>61,244</u>	<u>(397,237)</u>

COLUMBIA PRECISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

10 TAXATION

	2017	2016
	£	£
CURRENT TAX		
UK corporation tax on profits for the current period	–	(50,000)
Adjustments in respect of prior periods	69	–
	<u>69</u>	<u>(50,000)</u>
Total current tax	<u>69</u>	<u>(50,000)</u>
DEFERRED TAX		
Origination and reversal of timing differences	4,206	14,651
	<u>4,206</u>	<u>14,651</u>
Total tax charge/(credit)	<u>4,275</u>	<u>(35,349)</u>

The actual charge/(credit) for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2017	2016
	£	£
Profit/(loss) before taxation	656,141	(53,165)
	<u>656,141</u>	<u>(53,165)</u>
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	131,228	(10,633)
Tax effect of expenses that are not deductible in determining taxable profit	(10,572)	83,056
Tax effect of utilisation of tax losses not previously recognised	–	69,798
Group relief	6,720	7,338
Permanent capital allowances in excess of depreciation	(20,664)	(43,003)
Research and development tax credit	(140,000)	(140,000)
Deferred tax adjustments in respect of prior years	4,206	14,651
Other tax adjustments	33,357	(16,556)
	<u>4,275</u>	<u>(35,349)</u>
Taxation charge/(credit) for the year	<u>4,275</u>	<u>(35,349)</u>

11 DIVIDENDS

	2017	2016
	£	£
Final paid	130,000	130,000
	<u>130,000</u>	<u>130,000</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

12 TANGIBLE FIXED ASSETS

	Leasehold property	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
COST					
At 1 April 2016	1,153,486	4,696,737	321,838	49,252	6,221,313
Additions	-	187,623	18,658	-	206,281
Disposals	-	-	-	(12,701)	(12,701)
At 31 March 2017	1,153,486	4,884,360	340,496	36,551	6,414,893
DEPRECIATION AND IMPAIRMENT					
At 1 April 2016	893,123	2,981,213	315,573	10,881	4,200,790
Depreciation charged in the year	82,291	283,204	11,893	9,137	386,525
Eliminated in respect of disposals	-	-	-	(6,352)	(6,352)
At 31 March 2017	975,414	3,264,417	327,466	13,666	4,580,963
CARRYING AMOUNT					
At 31 March 2017	178,072	1,619,943	13,030	22,885	1,833,930
At 31 March 2016	260,363	1,715,524	6,265	38,371	2,020,523

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2017 £	2016 £
Plant and machinery	1,032,816	964,886
Depreciation charge for the year in respect of leased assets	112,070	127,105

COLUMBIA PRECISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

13 STOCKS

	2017	2016
	£	£
Raw materials and consumables	22,522	29,321
Work in progress	179,103	217,554
Finished goods and goods for resale	108,055	100,540
	<u>309,680</u>	<u>347,415</u>

14 DEBTORS

	2017	2016
	£	£
AMOUNTS FALLING DUE WITHIN ONE YEAR:		
Trade debtors	824,691	894,434
Corporation tax recoverable	156,628	225,374
Amounts owed by group undertakings	2,448,519	1,508,857
Other debtors	173,605	664,966
Prepayments and accrued income	65,688	71,133
	<u>3,669,131</u>	<u>3,364,764</u>

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

		2017	2016
	Notes	£	£
Obligations under finance leases	17	311,216	381,791
Trade creditors		455,926	459,454
Amounts due to group undertakings		18,445	12,550
Corporation tax		-	142,822
Other taxation and social security		179,199	93,886
Other creditors		42,743	25,137
Accruals and deferred income		99,111	90,379
		<u>1,106,640</u>	<u>1,206,019</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Notes	2017 £	2016 £
Obligations under finance leases	17	297,893	470,324
Government grants	20	9,094	18,275
		<u>306,987</u>	<u>488,599</u>

SECURED DEBTS

Obligations under finance leases above all relate to hire purchase balances which are secured against the assets to which they relate.

17 FINANCE LEASE OBLIGATIONS

	2017 £	2016 £
Future minimum lease payments due under finance leases:		
Within one year	311,216	381,791
In two to five years	297,893	470,324
	<u>609,109</u>	<u>852,115</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

18 PROVISIONS FOR LIABILITIES

	Notes	2017 £	2016 £
Deferred tax liabilities	19	221,060	216,854
		<u>221,060</u>	<u>216,854</u>

19 DEFERRED TAXATION

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2017 £	Liabilities 2016 £
BALANCES:		
Accelerated capital allowances	221,060	216,854
	<u>221,060</u>	<u>216,854</u>
MOVEMENTS IN THE YEAR:		2017 £
Liability at 1 April 2016		216,854
Charge to profit or loss		4,206
		<u>221,060</u>
Liability at 31 March 2017		<u>221,060</u>

20 GOVERNMENT GRANTS

Included in creditors due after one year are two capital grants in relation to the two properties leased by the company.

The grants of £73,750 and £51,400 are amortised over the periods of the leases to which they relate (18.25 years and 10 years respectively).

21 RETIREMENT BENEFIT SCHEMES

	2017 £	2016 £
DEFINED CONTRIBUTION SCHEMES		
Charge to profit or loss in respect of defined contribution schemes	29,863	25,821
	<u>29,863</u>	<u>25,821</u>

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 an independently administered fund.

COLUMBIA PRECISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

22 SHARE CAPITAL

	2017	2016
	£	£
ORDINARY SHARE CAPITAL		
ISSUED AND FULLY PAID		
10,006 Ordinary of £1 each	10,006	10,006
	<u>10,006</u>	<u>10,006</u>

23 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:

	2017	2016
	£	£
Within one year	56,203	56,203
Between two and five years	68,051	124,254
	<u>124,254</u>	<u>180,457</u>

24 RELATED PARTY TRANSACTIONS

REMUNERATION OF KEY MANAGEMENT PERSONNEL

The remuneration of key management personnel is as follows.

	2017	2016
	£	£
Aggregate compensation	383,769	422,796

24 RELATED PARTY TRANSACTIONS

(Continued)

Compex IT Limited

During the year ended 31 March 2017 Mr N E Holmes, a director of the company, served as a director and shareholder in Compex IT Limited, a company registered in England.

During the year ended 31 March 2017 the following transactions occurred between the company and Compex IT Limited.

Purchase of goods and services

The company purchased various goods and services amounting to £40,972 (2016 – £nil).

Recharging of wages and expenses

Wages and expenses totalling £99,775 incurred on behalf of Compex IT Limited were recharged by the company to Compex IT Limited.

Sale of motor vehicle

A motor vehicle for a total consideration of £6,349 was sold by the company to Compex IT Limited.

Amount due to Compex IT Limited

As at 31 March 2017 £11,933 (2016 – £nil) was due in total from the company to Compex IT Limited.

iFly7 Limited

During the year ended 31 March 2017 Mr N E Holmes, a director of the company, served as a director and shareholder in iFly7 Limited, a company registered in England.

During the year ended 31 March 2017 the following transactions occurred between the company and iFly7 Limited.

Recharging of wages

Wages charges totalling £26,193 for costs incurred by the company on behalf of iFly7 Limited were recharged by the company to iFly7 Limited.

Loan due from iFly7 Limited

During the year ended 31 March 2017 a total of £61,244 was recovered against a loan due from iFly7 Limited.

As at 31 March 2017 a total of £335,993 was due to the company from iFly7 Limited of which £335,993 has been provided by the company as irrecoverable.

Mr N E Holmes

During the year the company paid rent amounting to £35,000 (2016 – £nil) in respect of a property owned personally by the director, Mr N E Holmes.

Transactions with members of the Ephraim Group of Companies

The company has taken advantage of exemption of Section 33 of FRS 102 Related Party Disclosures not to disclose related party transactions with wholly owned subsidiaries within the group.

COLUMBIA PRECISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

25 DIRECTORS' TRANSACTIONS

The loan below is interest free and has no fixed repayment terms.

DESCRIPTION	% Rate	Opening balance £	Amounts repaid £	Closing balance £
Mr N E Holmes – Loan	–	626,511	(482,539)	143,972
		<u>626,511</u>	<u>(482,539)</u>	<u>143,972</u>

26 CONTROLLING PARTY

The ultimate parent company is Ephraim Group Limited, a company incorporated in England and Wales.

The ultimate controlling party of the company is Mr N E Holmes, a 100% shareholder of the company's parent, Ephraim Group Limited.

The smallest and largest undertaking for which the company is a member and for which group financial statements are prepared is Ephraim Group Limited.