

Registration number: 2064801

# Jenks & Cattell Engineering Limited

Annual Report and Financial Statements

for the Year Ended 30 September 2016

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# **Jenks & Cattell Engineering Limited**

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# **Jenks & Cattell Engineering Limited**

## **Company Information**

<b>Directors</b>	J W Newman R J Newman J D Clarkson J S King
<b>Company secretary</b>	A S Harrison
<b>Registered office</b>	Fernside Place 179 Queens Road Weybridge Surrey KT13 0AH
<b>Bankers</b>	National Westminster Bank PLC Lloyds Bank PLC
<b>Auditors</b>	RSM UK Audit LLP Third Floor, One London Square, Cross Lanes, Guildford GU1 1UN

# **Jenks & Cattell Engineering Limited**

## **Strategic Report for the Year Ended 30 September 2016**

The directors present their strategic report for the year ended 30 September 2016.

### **Principal activity**

The principal activity of the company is the manufacture and sale of metal components for the automotive, construction and other industries.

### **Fair review of the business**

Turnover for the year ended 30 September 2016 was £10,437,000, an increase of 25.9% compared to the previous year. The gross profit margin has reduced slightly to 16.1% (2015: 19.6%).

During the year the company has developed and grown its position in its existing markets, particularly the automotive sector, where the company achieved new business with Cummins Emissions Solutions supplying complex welded assemblies to the truck industry. Further continued growth through the success of Jaguar Land Rover has also been seen.

The company purchased the freehold factory, in which they carry out their business.

The market place does however remain extremely competitive with current uncertainties surrounding Brexit and currency yet to be fully understood. The company continues to invest in new equipment and attract new customers, as a basis for growth and expansion of the company over the coming years.

The company also needs to ensure it is in the best possible position to react to any issues that the Brexit negotiations may present to ensure that the development of the business is maintained.

The company's key financial and other performance indicators during the year were as follows:

	Unit	2016	2015
Sales	£'000	10,437	8,287
Gross margin	%	16	20
Inventory	£'000	1,750	1,124

### **Principal risks and uncertainties**

The directors have considered the principal risks and risk management within the Directors' Report on Page 3.

Approved by the Board on 16 December 2016 and signed on its behalf by:



A S Harrison  
Company secretary

## **Jenks & Cattell Engineering Limited**

### **Directors' Report for the Year Ended 30 September 2016**

The directors present their report and the financial statements for the year ended 30 September 2016.

#### **Directors of the company**

The directors who held office during the year were as follows:

J W Newman

R J Newman

A P Bale (Resigned 31 March 2016)

J D Clarkson

S E J Compson (Resigned 31 March 2016)

J S King

#### **Risks and uncertainties**

##### **Interest rate risk**

The company finances its operation through a mixture of retained profits and borrowing from group companies. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

##### **Liquidity risk**

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest any cash assets safely and profitably. Intercompany debt is structured so repayments can be made out of cash generated through operations.

##### **Funding risk**

The directors have considered the availability of funding, both short and medium term, and consider it to be sufficient in the short and medium term to enable operations to continue at expected levels.

##### **Cash flow risk**

The company uses financial instruments, including derivatives, comprising overdrafts, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main risks arising from the company's financial instruments are interest rate risk, liquidity risk and currency risk. The directors review and agree policies for managing each of these risks and they are summarised below.

#### **Employment of disabled persons**

The company gives equal opportunities to disabled persons wherever possible both in recruitment and career development.

#### **Employee involvement**

The directors attach the greatest importance to the development of employee involvement throughout the company, based on good communication and working relationships. Consultation takes place through normal contacts with departments and in meetings at all levels of employees to assist the employees to become more aware of the financial and economic factors affecting the performance of the company.

#### **Future developments**

The directors plan to maintain and invest in the business to further develop the company's customer base and maintain focus on cost reduction and continuous improvement initiatives.

## **Jenks & Cattell Engineering Limited**

### **Directors' Report for the Year Ended 30 September 2016**

#### **Research and development**

The company places a strong emphasis on research and development, which is needed to expand the scope of the products and manufacturing techniques required to meet the changing demands of the customers and the markets we serve.

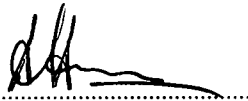
#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

#### **Reappointment of auditors**

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of RSM UK Audit LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 16 December 2016 and signed on its behalf by:



A S Harrison  
Company secretary

## **Jenks & Cattell Engineering Limited**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the Strategic Report and the Directors' 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 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.

## **Jenks & Cattell Engineering Limited**

### **Independent Auditor's Report**

We have audited the financial statements on pages 8 to 31. 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 more fully explained in the Statement of Directors' Responsibilities (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 (APB's) Ethical Standards for Auditors to the financial statements.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2016 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 matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



## **Jenks & Cattell Engineering Limited**

### **Independent Auditor's Report**

#### **Matters on which we are required to report by exception**

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.

*RSM UK Audit LLP*

.....  
Christopher Hurren BA FCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Third Floor,  
One London Square,  
Cross Lanes,  
Guildford  
GU1 1UN

22 December 2016

# **Jenks & Cattell Engineering Limited**

## **Statement of Income and Retained Earnings for the Year Ended 30 September 2016**

	Note	2016 £ 000	2015 £ 000
Turnover	3	10,437	8,287
Cost of sales		<u>(8,753)</u>	<u>(6,664)</u>
Gross profit		1,684	1,623
Distribution costs		(463)	(504)
Administrative expenses		(514)	(577)
Other operating income	4	<u>44</u>	<u>29</u>
Operating profit	5	<u>751</u>	<u>571</u>
Profit on ordinary activities before tax		751	571
Taxation	8	<u>(178)</u>	<u>(120)</u>
Profit for the financial year		<u><u>573</u></u>	<u><u>451</u></u>

The notes on pages 12 to 31 form an integral part of these financial statements.

## **Jenks & Cattell Engineering Limited**

### **Statement of Comprehensive Income for the Year Ended 30 September 2016**

	Note	2016 £ 000	2015 £ 000
Profit for the year		<u>573</u>	<u>451</u>
Remeasurement gain/loss on defined benefit pension schemes		(10)	(48)
Un realisable gain/loss due to reclassification adjustment		<u>10</u>	<u>48</u>
		-	-
Total comprehensive income for the year		<u><u>573</u></u>	<u><u>451</u></u>


The notes on pages 12 to 31 form an integral part of these financial statements.

# Jenks & Cattell Engineering Limited

(Registration number: 2064801)  
Balance Sheet as at 30 September 2016

	Note	2016 £ 000	2015 £ 000
<b>Fixed assets</b>			
Tangible assets	9	2,107	211
<b>Current assets</b>			
Stocks	10	1,750	1,124
Debtors	11	3,754	3,191
Cash at bank and in hand	12	-	70
		<u>5,504</u>	<u>4,385</u>
<b>Creditors: Amounts falling due within one year</b>	13	<u>(2,680)</u>	<u>(1,661)</u>
<b>Net current assets</b>		<u>2,824</u>	<u>2,724</u>
<b>Total assets less current liabilities</b>		4,931	2,935
<b>Creditors: Amounts falling due after more than one year</b>	13	<u>(2,867)</u>	<u>(1,444)</u>
<b>Net assets</b>		<u>2,064</u>	<u>1,491</u>
<b>Capital and reserves</b>			
Called up share capital	15	1,000	1,000
Profit and loss account	16	<u>1,064</u>	<u>491</u>
<b>Total equity</b>		<u>2,064</u>	<u>1,491</u>

Approved and authorised by the Board on 16 December 2016 and signed on its behalf by:

  
.....

J W Newman

Director

# **Jenks & Cattell Engineering Limited**

## **Statement of Changes in Equity for the Year Ended 30 September 2016**

	<b>Share capital £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total £ 000</b>
At 1 October 2015	1,000	491	1,491
Profit for the year	-	573	573
Total comprehensive income	-	573	573
At 30 September 2016	1,000	1,064	2,064

	<b>Share capital £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total £ 000</b>
At 1 October 2014	1,000	40	1,040
Profit for the year	-	451	451
Total comprehensive income	-	451	451
At 30 September 2015	1,000	491	1,491

The notes on pages 12 to 31 form an integral part of these financial statements.

## **Jenks & Cattell Engineering Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2016**

#### **1 General information**

The company is a private company limited by share capital incorporated and domiciled in England & Wales.

The address of its registered office is:

Fernside Place  
179 Queens Road  
Weybridge  
Surrey  
KT13 0AH

The principal place of business is:

Phoenix Works  
Satellite Industrial Estate  
Neachells Lane  
Wolverhampton  
WV11 3PU

These financial statements were authorised for issue by the Board on 16 December 2016.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

##### **First time adoption of FRS 102**

These financial statements are the first financial statements of Jenks & Cattell Engineering Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Jenks & Cattell Engineering Limited for the year ended 30 September 2015 were prepared in accordance with UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in equity at the transition date.

##### **First time adoption of FRS 102**

Reconciliations and descriptions of the effect of the transition to FRS 102 on; (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under UK GAAP are given at the end of these accounts.

## **Jenks & Cattell Engineering Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2016**

#### **Summary of disclosure exemptions**

The company has taken advantage of the exemption from disclosing the following information, as permitted by the reduced disclosure regime within FRS 102:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts for financial instruments measured at amortised cost or cost less impairment, interest income/expense and net gains/losses for financial instruments measured at amortised cost, loan defaults or breaches, and descriptions of hedging relationships.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

#### **Name of parent of group**

These financial statements are consolidated in the financial statements of Newship Products Group Limited.

The financial statements of Newship Products Group Limited may be obtained from Fernside Place, 179 Queens Road, Weybridge, Surrey, KT13 0AH.

#### **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, being a period of at least 12 months from time of approval. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

## **Jenks & Cattell Engineering Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2016**

#### **Judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **Critical accounting estimates and assumptions**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### **Key sources of estimation uncertainty**

##### **Deferred taxation**

Deferred tax assets and liabilities are assessed on the basis of assumptions regarding the future, the likelihood that assets will be realised and liabilities will be settled, and estimates as to the timing of those future events and as to the future tax rates that will be applicable.

The carrying amount is £76,000 (2015 -£133,000).

##### **Pension scheme**

Significant impacts arise within the financial statements as a result of the changes in the assumptions in respect of the valuation of the pension scheme. In order to obtain a fair valuation, the directors take advice from external actuaries as to the assumptions to be used taking account of market data and conditions at the year end.

The carrying amount is £Nil (2015 -£Nil).

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when:

The amount of revenue can be reliably measured it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities.

#### **Government grants**

Government grants in respect of capital expenditure are credited to the deferred income account and are then released to the profit and loss account over the expected useful lives of the relevant assets by equal annual instalments. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

#### **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

#### **Tax**

Tax is recognised in the Statement of Income, except where a change attributable to an item of income or expense recognised in the Statement of Comprehensive Income, when it is also recognised directly in the Statement of Comprehensive Income.



## **Jenks & Cattell Engineering Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2016**

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

#### **Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Property, plant & machinery, fixtures, fittings, tools and equipment	10 - 33.3% per annum straight line
Freehold land and buildings	2 - 5% straight line

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

## **Jenks & Cattell Engineering Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2016**

#### **Financial instruments**

##### **Financial assets**

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

##### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

##### **Financial liabilities and equities**

##### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Income and Retained Earnings over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

##### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

##### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

## **Jenks & Cattell Engineering Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2016**

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### **Defined benefit pension obligation**

##### **Defined benefits plan**

The company a defined benefit scheme which Is closed to future accrual.

Net interest on the net defined benefit liability comprises the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by multiplying the fair value of the plan assets at the beginning of the period by the rate used to discount the benefit obligations. The net interest is recognised in the profit and loss account.

Gains and losses arising from changes in actuarial assumptions and the difference between the interest income on the plan assets and the return on the plan assets are recognised in other comprehensive income.

The Defined benefit scheme is funded, with the assets held separately from the company in separate trustee-administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected credit unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme liability is recognised to the extent that the group has a legal or constructive obligation to settle the liability and as asset recognised where the company has a right to recover monies from the scheme.

# **Jenks & Cattell Engineering Limited**

## **Notes to the Financial Statements for the Year Ended 30 September 2016**

### **3 Turnover**

The analysis of the company's revenue for the year from continuing operations is as follows:

	<b>2016</b>	<b>2015</b>
	<b>£ 000</b>	<b>£ 000</b>
Sale of goods	<u>10,437</u>	<u>8,287</u>

The analysis of the company's turnover for the year by class of business is as follows:

	<b>2016</b>	<b>2015</b>
	<b>£ 000</b>	<b>£ 000</b>
Engineering	<u>10,437</u>	<u>8,287</u>

The analysis of the company's turnover for the year by market is as follows:

	<b>2016</b>	<b>2015</b>
	<b>£ 000</b>	<b>£ 000</b>
UK	7,762	6,351
Europe	2,217	1,604
Rest of world	<u>458</u>	<u>332</u>
	<u>10,437</u>	<u>8,287</u>

### **4 Other operating income**

The analysis of the company's other operating income for the year is as follows:

	<b>2016</b>	<b>2015</b>
	<b>£ 000</b>	<b>£ 000</b>
Government grants	13	10
Sub lease rental income	31	14
Miscellaneous other operating income	<u>-</u>	<u>5</u>
	<u>44</u>	<u>29</u>

### **5 Operating profit**

Arrived at after charging/(crediting)

	<b>2016</b>	<b>2015</b>
	<b>£ 000</b>	<b>£ 000</b>
Depreciation expense	89	120
Cost of inventories recognised as an expense	5,196	4,145
Foreign exchange (gains)/losses	(80)	4
Operating lease expense - other	214	257
Audit of the financial statements	<u>10</u>	<u>11</u>

## **Jenks & Cattell Engineering Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2016**

#### **6 Staff costs**

The aggregate payroll costs (including directors' remuneration) were as follows:

	<b>2016</b> <b>£ 000</b>	<b>2015</b> <b>£ 000</b>
Wages and salaries	2,332	1,824
Social security costs	129	115
Pension costs, defined contribution scheme	105	140
Other employee expense	40	28
	<u>2,606</u>	<u>2,107</u>

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	<b>2016</b> <b>No.</b>	<b>2015</b> <b>No.</b>
Production	96	72
Administration and support	6	6
Sales, marketing and distribution	4	3
	<u>106</u>	<u>81</u>

# **Jenks & Cattell Engineering Limited**

## **Notes to the Financial Statements for the Year Ended 30 September 2016**

### **7 Directors' remuneration**

The directors' remuneration for the year was as follows:

	<b>2016</b> <b>£ 000</b>	<b>2015</b> <b>£ 000</b>
Remuneration	<u>91</u>	<u>85</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	<b>2016</b> <b>No.</b>	<b>2015</b> <b>No.</b>
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

In respect of the highest paid director:

	<b>2016</b> <b>£ 000</b>	<b>2015</b> <b>£ 000</b>
Remuneration	89	83
Company contributions to money purchase pension schemes	<u>2</u>	<u>2</u>

### **8 Taxation**

Tax charged/(credited) in the income statement

	<b>2016</b> <b>£ 000</b>	<b>2015</b> <b>£ 000</b>
<b>Current taxation</b>		
UK corporation tax	121	-
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>57</u>	<u>120</u>
Tax expense in the income statement	<u>178</u>	<u>120</u>

# **Jenks & Cattell Engineering Limited**

## **Notes to the Financial Statements for the Year Ended 30 September 2016**

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2015 - lower than the standard rate of corporation tax in the UK) of 20% (2015 - 20%).

The differences are reconciled below:

	<b>2016</b> <b>£ 000</b>	<b>2015</b> <b>£ 000</b>
Profit before tax	<u>751</u>	<u>571</u>
Corporation tax at standard rate	150	114
Deferred tax expense (credit) relating to changes in tax rates or laws	29	-
UK deferred tax expense (credit) relating to changes in tax rates or laws	3	7
Tax increase (decrease) from effect of capital allowances and depreciation	(12)	(8)
Tax increase (decrease) from other short-term timing differences	13	7
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>(5)</u>	<u>-</u>
Total tax charge	<u>178</u>	<u>120</u>

### **Deferred tax**

Deferred tax assets and liabilities

<b>2016</b>	<b>Asset</b> <b>£ 000</b>
Deferred tax brought forward	133
Difference between accumulated depreciation and capital allowances	(26)
Trade losses utilised	<u>(31)</u>
	<u>76</u>

<b>2015</b>	<b>Asset</b> <b>£ 000</b>
Deferred tax brought forward	253
Difference between accumulated depreciation and capital allowances	(7)
Trade losses utilised	<u>(133)</u>
	<u>113</u>

The corporation tax rate for the UK Company profits was 20% at the year end. The rate will reduce at 1 April 2017 to 19%, at 1 April 2018 to 18% and at 1 April 2020 to 17%. Deferred tax has been recognised at a rate of 17%, which is the rate that was substantively enacted at the year end.

# Jenks & Cattell Engineering Limited

## Notes to the Financial Statements for the Year Ended 30 September 2016

### 9 Tangible assets

	Land and buildings £ 000	Other property, plant and equipment £ 000	Total £ 000
<b>Cost or valuation</b>			
At 1 October 2015	450	5,828	6,278
Additions	<u>1,872</u>	<u>113</u>	<u>1,985</u>
At 30 September 2016	<u>2,322</u>	<u>5,941</u>	<u>8,263</u>
<b>Depreciation</b>			
At 1 October 2015	422	5,645	6,067
Charge for the year	<u>6</u>	<u>83</u>	<u>89</u>
At 30 September 2016	<u>428</u>	<u>5,728</u>	<u>6,156</u>
<b>Carrying amount</b>			
At 30 September 2016	<u>1,894</u>	<u>213</u>	<u>2,107</u>
At 30 September 2015	<u>28</u>	<u>183</u>	<u>211</u>

Included within the net book value of land and buildings above is £1,894,000 (2015 - £Nil) in respect of freehold land and buildings, £Nil (2015 - £28,000) in respect of long leasehold land and buildings which have been transferred to the property on acquisition.

### 10 Stocks

	2016 £ 000	2015 £ 000
Raw materials and consumables	381	172
Work in progress	1,288	677
Finished goods and goods for resale	<u>81</u>	<u>275</u>
	<u>1,750</u>	<u>1,124</u>

### 11 Debtors

	Note	2016 £ 000	2015 £ 000
Trade debtors		2,827	2,017
Amounts owed by related parties	21	154	194
Prepayments		697	847
Deferred tax assets	8	<u>76</u>	<u>133</u>
Total current trade and other debtors		<u>3,754</u>	<u>3,191</u>



## Jenks & Cattell Engineering Limited

### Notes to the Financial Statements for the Year Ended 30 September 2016

#### 12 Cash and cash equivalents

	2016 £ 000	2015 £ 000
Cash at bank	-	70
Bank overdrafts	(284)	-
Cash and cash equivalents	<u>(284)</u>	<u>70</u>

#### 13 Creditors

	Note	2016 £ 000	2015 £ 000
<b>Due within one year</b>			
Loans and borrowings	17	284	-
Trade creditors		1,720	1,290
Corporation tax	8	121	-
Social security and other taxes		165	9
Accrued expenses		<u>390</u>	<u>362</u>
		<u>2,680</u>	<u>1,661</u>
<b>Due after one year</b>			
Amounts due to group undertakings		<u>2,867</u>	<u>1,444</u>

A fixed and floating charge is in place covering all of the property and undertakings of the company.

#### 14 Pension and other schemes

##### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £105,000 (2015 - £140,000).

##### Defined benefit pension schemes

##### Jenks & Cattell Engineering Limited Pension Scheme

The company operates a defined benefit pension scheme in the UK. The scheme is now closed to new entrants and future accrual. A full actuarial valuation was carried out at 30 September 2014 and updated to 30 September 2016 by a qualified independent actuary.

The major assumptions used by the actuary are stated below.

# Jenks & Cattell Engineering Limited

## Notes to the Financial Statements for the Year Ended 30 September 2016

### *Reconciliation of scheme assets and liabilities to assets and liabilities recognised*

The below amounts have not been recognised.

	2016 £ 000	2015 £ 000
Fair value of scheme assets	6,608	5,857
Present value of defined benefit obligation	<u>(6,179)</u>	<u>(5,588)</u>
Defined benefit pension scheme surplus	<u>429</u>	<u>269</u>

### *Defined benefit obligation*

Changes in the defined benefit obligation are as follows:

	2016 £ 000
Present value at start of year	5,588
Interest cost	215
Actuarial gains and losses	619
Benefits paid	<u>(243)</u>
Present value at end of year	<u>6,179</u>

### *Fair value of scheme assets*

Changes in the fair value of scheme assets are as follows:

	2016 £ 000
Fair value at start of year	5,857
Interest income	215
Return on plan assets, excluding amounts included in interest income/(expense)	769
Employer contributions	10
Benefits paid	<u>(243)</u>
Fair value at end of year	<u>6,608</u>

### *Analysis of assets*

The major categories of scheme assets are as follows:

	2016 £ 000	2015 £ 000
Cash and cash equivalents	206	246
Equity instruments	3,533	3,311
Debt instruments	2,771	2,197
Property	<u>98</u>	<u>103</u>
	<u>6,608</u>	<u>5,857</u>

## **Jenks & Cattell Engineering Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2016**

#### ***Return on scheme assets***

	<b>2016</b>	<b>2015</b>
	<b>£ 000</b>	<b>£ 000</b>
Return on scheme assets	<u>984</u>	<u>191</u>

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

#### ***Principal actuarial assumptions***

The principal actuarial assumptions at the statement of financial position date are as follows:

	<b>2016</b>	<b>2015</b>
	<b>%</b>	<b>%</b>
Discount rate	2.40	3.93
Future pension increases	2.10	2.30
Inflation - CPI	<u>2.10</u>	<u>2.30</u>

# Jenks & Cattell Engineering Limited

## Notes to the Financial Statements for the Year Ended 30 September 2016

### *Post retirement mortality assumptions*

	2016 Years	2015 Years
Current UK pensioners at retirement age - male	20	21
Current UK pensioners at retirement age - female	20	21
Future UK pensioners at retirement age - male	21	22
Future UK pensioners at retirement age - female	<u>21</u>	<u>22</u>

### 15 Share capital and reserves

#### Allotted, called up and fully paid shares

	2016		2015	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

#### **Rights, preferences and restrictions**

Ordinary shares have the following rights, preferences and restrictions:

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

### 16 Reserves

#### Share capital

The original and subsequent investment in the company by its parent.

#### Profit and loss

The profit and loss account is made up of retained profits of the company

### 17 Loans and borrowings

	2016 £ 000	2015 £ 000
<b>Current loans and borrowings</b>		
Bank overdrafts	<u>284</u>	<u>-</u>

A fixed and floating charge is in place covering all of the property and undertakings of the company.

## **Jenks & Cattell Engineering Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2016**

#### **18 Obligations under leases and hire purchase contracts**

##### **Operating leases**

The total of future minimum lease payments is as follows:

	<b>2016</b> <b>£ 000</b>	<b>2015</b> <b>£ 000</b>
Not later than one year	705	386
Later than one year and not later than five years	<u>1,363</u>	<u>1,657</u>
	<u><u>2,068</u></u>	<u><u>2,043</u></u>

#### **19 Dividends**

The directors are proposing a final dividend of £Nil (2015 - £Nil) per share totalling £Nil (2015 - £Nil).

#### **20 Commitments**

##### **Capital commitments**

The total amount contracted for but not provided in the financial statements was £Nil (2015 - £Nil).

#### **21 Related party transactions**

##### **Summary of transactions with parent**

L J Newman is the ultimate controlling party.

During the year the company purchased the freehold factory where they carry on their trade from L J Newman.

##### **Summary of transactions with other related parties**

Other related parties are companies with common control.

Transactions between the company and its related parties are disclosed below.

# Jenks & Cattell Engineering Limited

## Notes to the Financial Statements for the Year Ended 30 September 2016

### Income and receivables from related parties

	<b>Other related parties £ 000</b>
<b>2016</b>	
Sale of goods	108
Leases	8
	<u>116</u>
Amounts receivable from related party	<u>47</u>
	<b>Other related parties £ 000</b>
<b>2015</b>	
Sale of goods	99
Leases	8
	<u>107</u>
Amounts receivable from related party	<u>98</u>

### Expenditure with and payables to related parties

	<b>Transactions with owner £ 000</b>	<b>Other related parties £ 000</b>
<b>2016</b>		
Rendering of services	-	108
Purchase of property or other assets	1,800	-
Leases	-	278
	<u>1,800</u>	<u>386</u>
Amounts payable to related party	<u>-</u>	<u>81</u>
		<b>Other related parties £ 000</b>
<b>2015</b>		
Rendering of services		79
Leases		304
		<u>383</u>
Amounts payable to related party		<u>60</u>

### 22 Parent and ultimate parent undertaking

The company's immediate parent is Newship Products Limited, incorporated in England & Wales.

The ultimate parent is Newship Products Group Limited, incorporated in England & Wales.

The most senior parent entity producing publicly available financial statements is Newship Products Group Limited. These financial statements are available upon request from Fernside Place, 179 Queens Road, Weybridge, Surrey, KT13 0AH.

The ultimate controlling party is L J Newman.

# Jenks & Cattell Engineering Limited

## Notes to the Financial Statements for the Year Ended 30 September 2016

### 23 Transition to FRS 102

#### Balance Sheet at 1 October 2014

Note	As originally reported £ 000	Reclassification £ 000	Remeasurement £ 000	As restated £ 000
<b>Fixed assets</b>				
Tangible assets	285	-	-	285
<b>Current assets</b>				
Stocks	908	-	-	908
Debtors	2,082	-	-	2,082
Cash at bank and in hand	47	-	-	47
	<u>3,037</u>	<u>-</u>	<u>-</u>	<u>3,037</u>
Creditors: Amounts falling due within one year	<u>(1,362)</u>	<u>-</u>	<u>-</u>	<u>(1,362)</u>
Net current assets	<u>1,675</u>	<u>-</u>	<u>-</u>	<u>1,675</u>
Total assets less current liabilities	1,960	-	-	1,960
Creditors: Amounts falling due after more than one year	<u>(920)</u>	<u>-</u>	<u>-</u>	<u>(920)</u>
Net assets	<u><u>1,040</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1,040</u></u>
<b>Capital and reserves</b>				
Called up share capital	(1,000)	-	-	(1,000)
Profit and loss account	<u>(40)</u>	<u>-</u>	<u>-</u>	<u>(40)</u>
Total equity	<u><u>(1,040)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>(1,040)</u></u>

# Jenks & Cattell Engineering Limited

## Notes to the Financial Statements for the Year Ended 30 September 2016

### Balance Sheet at 30 September 2015

	Note	As originally reported £ 000	Reclassification £ 000	Remeasurement £ 000	As restated £ 000
<b>Fixed assets</b>					
Tangible assets		211	-	-	211
<b>Current assets</b>					
Stocks		1,124	-	-	1,124
Debtors		3,191	-	-	3,191
Cash at bank and in hand		70	-	-	70
		<u>4,385</u>	<u>-</u>	<u>-</u>	<u>4,385</u>
Creditors: Amounts falling due within one year		<u>(1,661)</u>	<u>-</u>	<u>-</u>	<u>(1,661)</u>
Net current assets		<u>2,724</u>	<u>-</u>	<u>-</u>	<u>2,724</u>
Total assets less current liabilities		2,935	-	-	2,935
Creditors: Amounts falling due after more than one year		<u>(1,444)</u>	<u>-</u>	<u>-</u>	<u>(1,444)</u>
Net assets		<u>1,491</u>	<u>-</u>	<u>-</u>	<u>1,491</u>
<b>Capital and reserves</b>					
Called up share capital		(1,000)	-	-	(1,000)
Profit and loss account		<u>(491)</u>	<u>-</u>	<u>-</u>	<u>(491)</u>
Total equity		<u>(1,491)</u>	<u>-</u>	<u>-</u>	<u>(1,491)</u>



# **Jenks & Cattell Engineering Limited**

## **Notes to the Financial Statements for the Year Ended 30 September 2016**

### **Profit and Loss Account for the year ended 30 September 2015**

	Note	As originally reported £ 000	Reclassification £ 000	Remeasurement £ 000	As restated £ 000
Turnover		8,287	-	-	8,287
Cost of sales		<u>(6,664)</u>	<u>-</u>	<u>-</u>	<u>(6,664)</u>
Gross profit		1,623	-	-	1,623
Distribution costs		(504)	-	-	(504)
Administrative expenses		(577)	-	-	(577)
Other operating income		<u>29</u>	<u>-</u>	<u>-</u>	<u>29</u>
Operating profit		<u>571</u>	<u>-</u>	<u>-</u>	<u>571</u>
Profit before tax		571	-	-	571
Taxation		<u>(120)</u>	<u>-</u>	<u>-</u>	<u>(120)</u>
Profit for the financial year		<u><u>451</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>451</u></u>