REGISTERED NUMBER: 02427380 (England and Wales)

Strategic Report, Report of the Directors and Financial Statements for the Year Ended 31 October 2016 for Advanced Engineering Techniques Limited

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Advanced Engineering Techniques Limited

Company Information
for the Year Ended 31 October 2016

DIRECTORS:	Mr R Copeland Mr D Birch Mrs E Spencer Mrs A M Copeland Mr S Woollen Mr A J Richards
REGISTERED OFFICE:	Marland House 13 Huddersfield Road Barnsley South Yorkshire S70 2LW
BUSINESS ADDRESS:	9 - 15 Holbrook Avenue Holbrook Industrial Estate Holbrook Sheffield South Yorkshire S20 3FF
REGISTERED NUMBER:	02427380 (England and Wales)
AUDITORS:	Harris & Co Limited Chartered Accountants & Statutory Auditor Marland House 13 Huddersfield Road Barnsley South Yorkshire S70 2LW

Strategic Report
for the Year Ended 31 October 2016

The directors present their strategic report for the year ended 31 October 2016.

REVIEW OF BUSINESS

After six successive years of sales growth, this has been a more difficult year with turnover reducing by £1,339k (11.4%). This together with margin pressure resulted in a £757k reduction in profit before tax to £33k. After tax and dividends £19k (2015: £483k) has been added to reserves.

After the year-end, the company's liquidity and cash position improved as amounts totalling £984k owing from a connected company and included in other debtors at 31 October 2016 were received following the sale of the connected company's business, trade and assets.

The business environment in which we operate continues to remain competitive and challenging, and the company is subject to wider economic uncertainty, including as a result of the June 2017 UK general election and the ongoing Brexit negotiations. Due regard is given to these risks and uncertainties and necessary actions are taken for planning the future development of the business including timing of further investment in state of the art production facilities.

Risks

The company's operations expose it to a variety of financial risks that include the effects of price risk, credit risk, liquidity risk and interest rate risk. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

The board of directors is responsible for monitoring financial risk and for deciding where it would be appropriate to use financial instruments to manage this risk.

Price risk

The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before credit sales are made.

Liquidity risk

The company actively maintains a mixture of long-term and short term debt and in particular bank overdraft and invoice discounting finance that is designed to ensure that the company has sufficient available funds for its operations.

Interest rate cashflow risk

The company has interest bearing liabilities by way of bank loans and overdrafts, and therefore is exposed to interest rate cashflow risk. The board of directors regularly review the level and mix of debt to manage interest rate risk.

Foreign currency exchange risk

Where the company has transactions denominated in foreign currency and so is exposed to exchange rate risk, it manages this risk by keeping under review the need for forward contracts in the appropriate foreign currency as required.

Key performance indicators

We consider that our key performance indicators are those that communicate the financial performance and strength of the group as a whole, these being turnover and gross margin.

ON BEHALF OF THE BOARD:

Mr D Birch - Director

18 July 2017

Report of the Directors for the Year Ended 31 October 2016

The directors present their report with the financial statements of the Company for the year ended 31 October 2016.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of laser engineers, component producers and fabricators.

DIVIDENDS

The total distribution of dividends for the year ended 31 October 2016 was £180,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 November 2015 to the date of this report.

Mr R Copeland
Mr D Birch
Mrs E Spencer
Mrs A M Copeland
Mr S Woollen
Mr A J Richards

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS
The auditors, Harris & Co Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr D Birch - Director

18 July 2017

Independent Auditors' Report to the Members of Advanced Engineering Techniques Limited

We have audited the financial statements of Advanced Engineering Techniques Limited for the year ended 31 October 2016 on pages seven to twenty three. 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 Financial Reporting Standard 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 Strategic Report and the Report of the Directors 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 October 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 the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

Paul Hinchliffe BA FCA (Senior Statutory Auditor)
for and on behalf of Harris & Co Limited
Chartered Accountants & Statutory Auditor
Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW

18 July 2017

Statement of Comprehensive Income for the Year Ended 31 October 2016

	Notes	2016 £	2015 £
TURNOVER	3	10,381,589	11,720,814
Cost of sales		8,868,332	9,369,893
GROSS PROFIT		1,513,257	2,350,921
Administrative expenses		1,427,704	1,496,504
		85,553	854,417
Other operating income		53,644	46,230
OPERATING PROFIT	5	139,197	900,647
Interest payable and similar expenses	6	106,314	110,633
PROFIT BEFORE TAXATION		32,883	790,014
Tax on profit	7	(166,567)	307,420
PROFIT FOR THE FINANCIAL YEAR		199,450	482,594
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		199,450	482,594

The notes form part of these financial statements

Statement of Financial Position
31 October 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Intangible assets	9	121,257	153,820
Tangible assets	10	3,182,917	3,376,983
		3,304,174	3,530,803
CURRENT ASSETS			
Stocks	11	483,496	508,863
Debtors	12	3,474,928	3,321,483
Cash at bank and in hand		15,932	9,865
		3,974,356	3,840,211
CREDITORS			
Amounts falling due within one year	13	(4,223,805)	(3,876,168)
NET CURRENT LIABILITIES		(249,449)	(35,957)
TOTAL ASSETS LESS CURRENT LIABILITIES		3,054,725	3,494,846
CREDITORS			
Amounts falling due after more than one year	14	(926,216)	(1,213,978)
PROVISIONS FOR LIABILITIES	19	(277,607)	(449,416)
NET ASSETS		1,850,902	1,831,452
CAPITAL AND RESERVES			
Called up share capital	20	75	75
Capital redemption reserve	21	25	25
Retained earnings	21	1,850,802	1,831,352
SHAREHOLDERS' FUNDS		1,850,902	1,831,452

The financial statements were approved by the Board of Directors on 18 July 2017 and were signed on its behalf by:

Mr D Birch - Director

The notes form part of these financial statements

Statement of Changes in Equity
for the Year Ended 31 October 2016

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 November 2014	75	1,557,258	25	1,557,358
Changes in equity				
Dividends	-	(208,500)	-	(208,500)
Total comprehensive income	-	482,594	-	482,594
Balance at 31 October 2015	75	1,831,352	25	1,831,452
Changes in equity				
Dividends	-	(180,000)	-	(180,000)
Total comprehensive income	-	199,450	-	199,450
Balance at 31 October 2016	75	1,850,802	25	1,850,902

The notes form part of these financial statements

Statement of Cash Flows
for the Year Ended 31 October 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	483,819	2,217,073
Interest paid		(49,588)	(53,071)
Interest element of hire purchase payments paid		(56,726)	(57,562)
Tax paid		(77,874)	(59,992)
Net cash from operating activities		299,631	2,046,448
Cash flows from investing activities			
Purchase of tangible fixed assets		(290,517)	(1,206,752)
Sale of tangible fixed assets		14,000	93,450
Net cash from investing activities		(276,517)	(1,113,302)
Cash flows from financing activities			
Loan repayments in year		(23,043)	(19,483)
Hire purchase repayments in year		(490,732)	573,159
New hire purchase agreements		194,988	-
Other long term creditors		-	2,930
Equity dividends paid		(180,000)	(208,500)
Net cash from financing activities		(498,787)	348,106
(Decrease)/increase in cash and cash equivalents		(475,673)	1,281,252
Cash and cash equivalents at beginning of year	2	(1,153,103)	(2,434,355)
Cash and cash equivalents at end of year	2	(1,628,776)	(1,153,103)

The notes form part of these financial statements

Notes to the Statement of Cash Flows for the Year Ended 31 October 2016

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016	2015
	£	£
Profit before taxation	32,883	790,014
Depreciation charges	517,146	431,358
Profit on disposal of fixed assets	(14,000)	(3,240)
Government grants	(41,644)	(36,230)
Finance costs	106,314	110,633
	600,699	1,292,535
Decrease in stocks	25,367	21,330
(Increase)/decrease in trade and other debtors	(152,286)	868,817
Increase in trade and other creditors	10,039	34,391
Cash generated from operations	483,819	2,217,073

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 October 2016

	31/10/16	1/11/15
	£	£
Cash and cash equivalents	15,932	9,865
Bank overdrafts	(1,644,708)	(1,162,968)
	(1,628,776)	(1,153,103)

Year ended 31 October 2015

	31/10/15	1/11/14
	£	£
Cash and cash equivalents	9,865	1,070
Bank overdrafts	(1,162,968)	(2,435,425)
	(1,153,103)	(2,434,355)

The notes form part of these financial statements

Notes to the Financial Statements for the Year Ended 31 October 2016

1. STATUTORY INFORMATION

Advanced Engineering Techniques Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

This is the first year in which the financial statements have been prepared under FRS 102 as the entity transitioned from UK GAAP to FRS 102 as at 1 November 2014. Details of how FRS 102 has affected the accounting policies, reported financial position and financial performance is given on page 21.

The presentation and functional currency of the financial statements is sterling (£).

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

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

The significant judgements and estimates applied are:
- the useful lives and residual values of tangible fixed assets at the end of their useful lives
- the stage of completion and resulting valuation of, items in work in progress

Turnover
Turnover represents amounts earned on goods and services provided during the year, derives from the provision of goods falling within the company's ordinary activities and is recognised in the financial statements at the date that the goods are despatched.

Patents
Capitalised patent costs are either amortised at 10% per annum on a straight line basis or written off immediately where the patent has lapsed.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Long leasehold	- 2% on cost
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Government grants
Grants towards capital expenditure are credited to deferred income and released to profit or loss over the expected useful life of the assets. Grants towards revenue expenditure are released to profit or loss as the related expenditure is incurred.

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

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

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2. ACCOUNTING POLICIES - continued

Taxation
Taxation for the period comprises current and deferred tax.

Current tax is recognised at the amount of tax payable using tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date. Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and that are expected to apply to the reversal of timing difference.

Hire purchase and leasing commitments
Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits
The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the Company.

An analysis of turnover by geographical market is given below:

	2016	2015
	£	£
United Kingdom	10,381,589	11,720,814
	10,381,589	11,720,814

4. EMPLOYEES AND DIRECTORS

	2016	2015
	£	£
Wages and salaries	3,782,131	3,950,164
Social security costs	322,865	339,943
Other pension costs	46,050	31,863
	4,151,046	4,321,970

continued...

4. EMPLOYEES AND DIRECTORS - continued

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

	2016	2015
Sales, design and manufacturing staff	152	163
Administrative staff and directors	12	12
	164	175

	2016	2015
	£	£
Directors' remuneration	281,111	286,583

Information regarding the highest paid director is as follows:

	2016	2015
	£	£
Emoluments etc	81,481	83,148

5. OPERATING PROFIT

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

	2016	2015
	£	£
Hire of plant and machinery	1,482	945
Other operating leases	52,628	52,222
Depreciation - owned assets	180,013	111,863
Depreciation - assets on hire purchase contracts	304,570	286,932
Profit on disposal of fixed assets	(14,000)	(3,240)
Patents and licences amortisation	32,563	32,563
Auditors' remuneration	28,000	26,950

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2016	2015
	£	£
Bank interest	49,588	53,071
Hire purchase	56,726	57,562
	106,314	110,633

7. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit for the year was as follows:

	2016	2015
	£	£
Current tax:		
UK corporation tax	5,242	75,829
Deferred tax	(171,809)	231,591
Tax on profit	(166,567)	307,420

continued...

7. TAXATION - continued

Reconciliation of total tax (credit)/charge included in profit and loss
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2016 £	2015 £
Profit before tax	32,883	790,014
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	6,577	158,003
Effects of:		
Capital allowances in excess of depreciation	(1,335)	(82,573)
Tax chargeable at higher rate	-	399
Deferred taxation	(171,809)	231,591
Total tax (credit)/charge	(166,567)	307,420

8. DIVIDENDS

	2016 £	2015 £
A Ordinary shares of £1 each		
Interim	12,000	12,000
B Ordinary shares of £1 each		
Interim	48,000	48,000
C Ordinary shares of £1 each		
Interim	60,000	60,000
D Ordinary shares of £1 each		
Interim	60,000	88,500
	180,000	208,500

9. INTANGIBLE FIXED ASSETS

	Patents and licences £
COST	
At 1 November 2015 and 31 October 2016	342,106
AMORTISATION	
At 1 November 2015	188,286
Amortisation for year	32,563
At 31 October 2016	220,849
NET BOOK VALUE	
At 31 October 2016	121,257
At 31 October 2015	153,820

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10. TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 November 2015	760,112	4,751,739	151,081	24,369	5,687,301
Additions	-	288,132	2,385	-	290,517
At 31 October 2016	760,112	5,039,871	153,466	24,369	5,977,818
DEPRECIATION					
At 1 November 2015	170,781	2,021,489	96,497	21,551	2,310,318
Charge for year	14,036	458,560	11,282	705	484,583
At 31 October 2016	184,817	2,480,049	107,779	22,256	2,794,901
NET BOOK VALUE					
At 31 October 2016	575,295	2,559,822	45,687	2,113	3,182,917
At 31 October 2015	589,331	2,730,250	54,584	2,818	3,376,983

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 November 2015	2,488,276	5,799	2,494,075
Additions	162,489	-	162,489
Transfer to ownership	(257,669)	(5,799)	(263,468)
At 31 October 2016	2,393,096	-	2,393,096
DEPRECIATION			
At 1 November 2015	488,071	3,403	491,474
Charge for year	304,570	-	304,570
Transfer to ownership	(128,584)	(3,403)	(131,987)
At 31 October 2016	664,057	-	664,057
NET BOOK VALUE			
At 31 October 2016	1,729,039	-	1,729,039
At 31 October 2015	2,000,205	2,396	2,002,601

11. STOCKS

	2016 £	2015 £
Raw materials	39,032	19,450
Work-in-progress	444,464	465,954
Finished goods	-	23,459
	483,496	508,863

The value of stock as an expense is £2,892,490 (2015: £3,250,388).

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12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade debtors	2,392,439	2,539,158
Other debtors	992,932	720,981
Directors' current accounts	7,993	6,834
Prepayments and accrued income	81,564	54,510
	3,474,928	3,321,483

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Bank loans and overdrafts (see note 15)	1,663,726	1,181,728
Hire purchase contracts (see note 16)	408,631	416,520
Trade creditors	1,638,324	1,530,249
Corporation tax	3,384	76,016
Social security and other taxes	90,988	91,753
VAT	164,379	273,256
Other creditors	12,322	11,942
Directors' current accounts	16	16
Accruals and deferred income	242,035	294,688
	4,223,805	3,876,168

The bank overdraft is secured by a fixed charge over the assets of the company including outstanding sales invoices.

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Bank loans (see note 15)	33,328	50,227
Hire purchase contracts (see note 16)	827,736	1,054,449
Other creditors	65,152	109,302
	926,216	1,213,978

The hire purchase creditors are secured on the assets to which they relate.

15. LOANS

An analysis of the maturity of loans is given below:

	2016	2015
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	1,644,708	1,162,968
Bank loans	19,018	18,760
	1,663,726	1,181,728
Amounts falling due between one and two years:		
Bank loans - 1-2 years	33,328	50,227

continued...

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2016	2015
	£	£
Net obligations repayable:		
Within one year	408,631	416,520
Between one and five years	827,736	1,054,449
	1,236,367	1,470,969

	Non-cancellable operating leases	
	2016	2015
	£	£
Within one year	19,506	11,539
Between one and five years	159,616	255,788
	179,122	267,327

17. SECURED DEBTS

The following secured debts are included within creditors:

	2016	2015
	£	£
Bank overdrafts	1,644,708	1,162,968
Bank loans	52,346	68,987
Hire purchase contracts	1,236,367	1,470,969
	2,933,421	2,702,924

The bank overdrafts and loans are secured by a fixed charge over the assets of the company including outstanding sales invoices. The hire purchase creditors are secured on the assets to which they relate.

18. FINANCIAL INSTRUMENTS

The carrying amounts of the company's financial instruments are:

Financial assets
Debt instruments measured at amortised cost £3,409,296 (2015 - £3,276,838).

Financial liabilities
Measured at amortised cost £4,717,853 (2015 - £4,434,060).

19. PROVISIONS FOR LIABILITIES

	2016	2015
	£	£
Deferred tax		
Accelerated capital allowances	277,607	449,416

continued...

19. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 November 2015	449,416
Credit to Statement of Comprehensive Income during year	(171,809)
Balance at 31 October 2016	277,607

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016 £	2015 £
13	A Ordinary	£1	13	13
12	B Ordinary	£1	12	12
25	C Ordinary	£1	25	25
25	D Ordinary	£1	25	25
			75	75

21. RESERVES

Reserves consist of the following:

Retained earnings represents the company's cumulative distributable reserves.

Capital redemption reserve represents cumulative amounts set aside within reserves as share capital is redeemed or repurchased.

22. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 October 2016 and 31 October 2015:

	2016 £	2015 £
Mrs A M Copeland		
Balance outstanding at start of year	5,464	5,147
Amounts advanced	-	317
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	5,464	5,464
Mr R Copeland		
Balance outstanding at start of year	1,368	1,368
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	1,368	1,368

continued...

22. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued

Mrs E Spencer

Balance outstanding at start of year	-	950
Amounts advanced	1,160	-
Amounts repaid	-	(950)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	1,160	-

The above loans are all interest free and repayable on demand.

23. RELATED PARTY DISCLOSURES

Other related parties

	2016	2015
	£	£
Sales	90,011	64,790
Rent payable	153,000	153,000
Amount due from related party	983,726	712,202
Amount due to related party	70,982	114,752

During the year, a total of key management personnel compensation of £281,111 was paid.

24. FIRST YEAR ADOPTION

This is the first year in which the financial statements have been prepared under FRS102 as the entity transitioned from UK GAAP to FRS102 as at 1 November 2014. There have been no transitioning adjustments made to the financial statements in respect of the transition to FRS102.

Reconciliation of Equity
1 November 2014
(Date of Transition to FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Intangible assets		186,383	-	186,383
Tangible assets		2,659,236	-	2,659,236
		2,845,619	-	2,845,619
CURRENT ASSETS				
Stocks		530,193	-	530,193
Debtors		4,190,300	-	4,190,300
Cash at bank and in hand		1,070	-	1,070
		4,721,563	-	4,721,563
CREDITORS				
Amounts falling due within one year		(5,063,934)	-	(5,063,934)
NET CURRENT LIABILITIES		(342,371)	-	(342,371)
TOTAL ASSETS LESS CURRENT LIABILITIES		2,503,248	-	2,503,248
CREDITORS				
Amounts falling due after more than one year		(728,065)	-	(728,065)
PROVISIONS FOR LIABILITIES		(217,825)	-	(217,825)
NET ASSETS		1,557,358	-	1,557,358
CAPITAL AND RESERVES				
Called up share capital		75	-	75
Capital redemption reserve		25	-	25
Retained earnings		1,557,258	-	1,557,258
SHAREHOLDERS' FUNDS		1,557,358	-	1,557,358

The notes form part of these financial statements

continued...

Reconciliation of Equity - continued
31 October 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Intangible assets		153,820	-	153,820
Tangible assets		3,376,983	-	3,376,983
		3,530,803	-	3,530,803
CURRENT ASSETS				
Stocks		508,863	-	508,863
Debtors		3,321,483	-	3,321,483
Cash at bank and in hand		9,865	-	9,865
		3,840,211	-	3,840,211
CREDITORS				
Amounts falling due within one year		(3,876,168)	-	(3,876,168)
NET CURRENT LIABILITIES		(35,957)	-	(35,957)
TOTAL ASSETS LESS CURRENT LIABILITIES		3,494,846	-	3,494,846
CREDITORS				
Amounts falling due after more than one year		(1,213,978)	-	(1,213,978)
PROVISIONS FOR LIABILITIES		(449,416)	-	(449,416)
NET ASSETS		1,831,452	-	1,831,452
CAPITAL AND RESERVES				
Called up share capital		75	-	75
Capital redemption reserve		25	-	25
Retained earnings		1,831,352	-	1,831,352
SHAREHOLDERS' FUNDS		1,831,452	-	1,831,452

The notes form part of these financial statements

Reconciliation of Profit
for the Year Ended 31 October 2015

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	11,720,814	-	11,720,814
Cost of sales	(9,369,893)	-	(9,369,893)
GROSS PROFIT	2,350,921	-	2,350,921
Administrative expenses	(1,496,504)	-	(1,496,504)
Other operating income	46,230	-	46,230
OPERATING PROFIT	900,647	-	900,647
Interest payable and similar expenses	(110,633)	-	(110,633)
PROFIT BEFORE TAXATION	790,014	-	790,014
Tax on profit	(307,420)	-	(307,420)
PROFIT FOR THE FINANCIAL YEAR	482,594	-	482,594

The notes form part of these financial statements