

Registrar

COMPANY REGISTRATION NUMBER: 02895982

Makin Organs Limited
Filleted Financial Statements
31 December 2017



Makin Organs Limited
Statement of Financial Position
31 December 2017

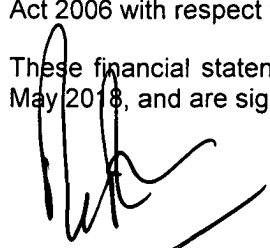
| | Note | 2017 £ | 2016 £ |
|--|------|-----------------------|-----------------------|
| Fixed assets | | | |
| Tangible assets | 5 | 205,430 | 182,054 |
| Investments | 6 | <u>59,975</u> | <u>156,022</u> |
| | | 265,405 | 338,076 |
| Current assets | | | |
| Stocks | | 531,511 | 513,416 |
| Debtors | 7 | 305,419 | 338,180 |
| Cash at bank and in hand | | <u>4,127</u> | <u>3,698</u> |
| | | 841,057 | 855,294 |
| Creditors: amounts falling due within one year | 8 | <u>363,882</u> | <u>492,240</u> |
| Net current assets | | 477,175 | 363,054 |
| Total assets less current liabilities | | 742,580 | 701,130 |
| Creditors: amounts falling due after more than one year | 9 | <u>95,559</u> | <u>102,845</u> |
| Net assets | | <u>647,021</u> | <u>598,285</u> |
| Capital and reserves | | | |
| Called up share capital | | 1,302,762 | 1,302,762 |
| Profit and loss account | | <u>(655,741)</u> | <u>(704,477)</u> |
| Shareholders funds | | <u>647,021</u> | <u>598,285</u> |

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors and authorised for issue on 17 May 2018, and are signed on behalf of the board by:


Mr K A Harrington
Director

Company registration number: 02895982

The notes on pages 2 to 7 form part of these financial statements.

Makin Organs Limited
Notes to the Financial Statements
Year ended 31 December 2017

1. General information

The company is a private company limited by shares, registered in England & Wales. The address of the registered office is Sovereign House, 30 Manchester Road, Oldham, Lancashire, OL2 7DE. The principal activity of the company during the year was that of importing and distributing pipeless organs.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Consolidation

The company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There have been no key assumptions, judgements or other sources of estimation made in the year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial statements.

Revenue recognition

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax. The company recognises sales when substantially all the risks and rewards in connection with the goods have been passed to the buyer.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Makin Organs Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

| | | |
|--------------------|---|-------------------|
| Freehold property | - | 2% straight line |
| Plant & machinery | - | 20% straight line |
| Fitures & fittings | - | 20% straight line |
| Motor Vehicles | - | 25% straight line |
| Computer equipment | - | 33% straight line |

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Makin Organs Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. The company holds basic financial instruments, which comprises bank balances and short term debtors and creditors.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Short-term debtors and creditors:

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Makin Organs Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 10 (2016: 10).

5. Tangible assets

| | Land and buildings £ | Plant and machinery £ | Fixtures and fittings £ | Motor vehicles £ | Computer Equipment £ | Total £ |
|------------------------|----------------------------|-----------------------------|-------------------------------|------------------------|----------------------------|-----------------|
| Cost | | | | | | |
| At 1 Jan 2017 | 250,826 | 22,456 | 130,823 | 60,129 | 52,481 | 516,715 |
| Additions | – | – | – | 34,075 | 1,792 | 35,867 |
| Disposals | – | – | – | (14,586) | – | (14,586) |
| At 31 Dec 2017 | 250,826 | 22,456 | 130,823 | 79,618 | 54,273 | 537,996 |
| Depreciation | | | | | | |
| At 1 Jan 2017 | 81,113 | 22,226 | 129,696 | 50,195 | 51,431 | 334,661 |
| Charge for the year | – | 136 | 760 | 10,228 | 1,366 | 12,490 |
| Disposals | – | – | – | (14,585) | – | (14,585) |
| At 31 Dec 2017 | 81,113 | 22,362 | 130,456 | 45,838 | 52,797 | 332,566 |
| Carrying amount | | | | | | |
| At 31 Dec 2017 | 169,713 | 94 | 367 | 33,780 | 1,476 | 205,430 |
| At 31 Dec 2016 | 169,713 | 230 | 1,127 | 9,934 | 1,050 | 182,054 |

6. Investments

| | Shares in group undertakings £ |
|---|---|
| Cost | |
| At 1 January 2017 and 31 December 2017 | 156,022 |
| Impairment | |
| At 1 January 2017 | – |
| Revaluations | 96,047 |
| At 31 December 2017 | 96,047 |

Makin Organs Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

6. Investments *(continued)*

| | Shares in group undertakings £ |
|--|---|
| Carrying amount At 31 December 2017 | <u>59,975</u> |
| At 31 December 2016 | <u>156,022</u> |

7. Debtors

| | 2017 £ | 2016 £ |
|---------------|----------------|----------------|
| Trade debtors | 265,808 | 313,513 |
| Other debtors | <u>39,611</u> | <u>24,667</u> |
| | <u>305,419</u> | <u>338,180</u> |

8. Creditors: amounts falling due within one year

| | 2017 £ | 2016 £ |
|---|----------------|----------------|
| Bank loans and overdrafts | 710 | 27,306 |
| Trade creditors | 80,079 | 112,622 |
| Amounts owed to group undertakings and undertakings in which the company has a participating interest | 59,975 | 158,070 |
| Social security and other taxes | 50,861 | 52,800 |
| Other creditors | <u>172,257</u> | <u>141,442</u> |
| | <u>363,882</u> | <u>492,240</u> |

The bank overdraft is secured by a legal mortgage over the company's freehold property and a mortgage debenture over the assets of the company. The hire purchase liabilities are secured over the assets concerned.

9. Creditors: amounts falling due after more than one year

| | 2017 £ | 2016 £ |
|-----------------|---------------|----------------|
| Other creditors | <u>95,559</u> | <u>102,845</u> |

The hire purchase liabilities are secured over the assets concerned.

10. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

| | 2017 £ | 2016 £ |
|--|---------------|---------------|
| Later than 1 year and not later than 5 years | <u>18,657</u> | <u>33,583</u> |

Makin Organs Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

11. Summary audit opinion

The auditor's report for the year dated 17 May 2018 was unqualified.

The senior statutory auditor was Andrew P Dixon FCA, for and on behalf of Wrigley Partington.

12. Directors' advances, credits and guarantees

Included in other creditors are amounts due to directors of £122,769 (2016-£145,889). Interest is paid on the outstanding balance at 6%. £23,120 was repaid in the year (2016-£27,652).