

Bromsgrove Winding Services Limited

Directors' Report and Financial Statements

Period Ended

31 May 2018

Company Number 03169472



Bromsgrove Winding Services Limited

Company Information

Directors	A Mardapittas C W Hall R Macklin
Registered number	03169472
Registered office	Unit A B And C Sugarbrook Buntsford Park Road Bromsgrove Worcestershire B60 3DX
Independent auditor	BDO LLP Central Square 29 Wellington Street Leeds LS1 4DL

Bromsgrove Winding Services Limited

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Bromsgrove Winding Services Limited

Directors' Report For the Period Ended 31 May 2018

The directors present their report and the financial statements for the period ended 31 May 2018.

The prior period was 1 June 2016 to 31 December 2016, therefore the results are not entirely comparable. During the period the directors changed the accounting reference date to 31 May 2018 to align with fellow group undertakings.

Principal activity

The principal activity is the manufacture of low voltage and high voltage transformers.

Results and dividends

The loss for the period, after taxation, amounted to £1,219,331 (2016 - loss £134,615).

The directors do not recommend any dividend for the period (year ended 31 December 2016 - £Nil).

Directors

The directors who served during the period were:

A Mardapittas (appointed 2 February 2017)

A R Ricketts (resigned 2 February 2017)

C W Hall

R Macklin (appointed 1 May 2018)

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, BDO LLP was appointed in the period and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 16/05/2019 and signed on its behalf.



R Macklin
Director

Bromsgrove Winding Services Limited

Directors' Responsibilities Statement For the Period Ended 31 May 2018

The directors are responsible for preparing 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 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'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 to 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.

Bromsgrove Winding Services Limited

Independent Auditor's Report to the Members of Bromsgrove Winding Services Limited

Qualified opinion

We have audited the financial statements of Bromsgrove Winding Services Limited ("the Company") for the 17 month period ended 31 May 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects of matters described in the Basis for qualified opinion paragraph, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 May 2018 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

We were not appointed as auditor of the company until after 31 December 2016 and thus did not observe the counting of physical inventories at the end of that year. We were unable to satisfy ourselves by alternate means concerning the inventory quantities of £581,592 held at 31 December 2016 by using other audit procedures. Consequently, we were unable to determine whether any adjustment to this amount at 31 December 2016 was necessary or whether there was any consequential effect on the cost of sales for the 17 month period ended 31 May 2018.

As set out in note 2.11, in 2014 the Company received a grant from the Regional Growth Fund for £80,000. The documentation relating to this grant could not be obtained. As a result, the evidence available to us was limited in this regard. We were unable to confirm the appropriate treatment of this transaction historically and as such, are unable to determine whether any adjustments to profit for the period or retained earnings might be necessary.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material uncertainty relating to going concern

We draw attention to the disclosures made in note 2 to the financial statements which indicates that the ability of the Company to continue as a going concern depends on the continuing financial support of its parent company, EMSC Global Limited, which is in turn dependant on the ongoing support of its primary lender. As stated in note 2 these conditions indicate the existence of a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other matter

The comparative period figures, for the 17 month period ended 31 May 2018, are unaudited.

Bromsgrove Winding Services Limited

Independent Auditor's Report to the Members of Bromsgrove Winding Services Limited (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' Report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the basis for qualified opinion section above, we were unable to obtain sufficient appropriate audit evidence regarding stock quantities at 31 December 2016 and unable to obtain sufficient documentation around the Regional Growth Fund grant and consequently we are unable to determine whether adjustments to opening reserves or the current period cost of sales or profit might be necessary. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- we are unable to conclude whether or not the Directors' Report has been prepared in accordance with applicable legal requirements in respect of the matter set out in the Basis for qualified opinion section above.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are unable to conclude whether or not the Directors' Report is materially misstated in respect of the matter set out in the basis for qualified opinion section above.

In respect solely of the limitation on our work relating to stock and the Regional Growth Fund grant, described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been kept.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- 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
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing a Strategic Report.

Bromsgrove Winding Services Limited

Independent Auditor's Report to the Members of Bromsgrove Winding Services Limited (continued)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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.



Paul Davies (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Leeds
United Kingdom

Date: 17 May 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Bromsgrove Winding Services Limited

Statement of Comprehensive Income For the Period Ended 31 May 2018

	Note	17 month period ended 31 May 2018 £	Year ended 31 December 2016 £
Turnover		3,163,911	2,293,969
Cost of sales		(3,452,338)	(1,795,992)
Gross (loss)/profit		(288,427)	497,977
Administrative expenses		(953,262)	(595,931)
Operating loss		(1,241,689)	(97,954)
Interest receivable and similar income		-	48
Interest payable and expenses		(30,978)	(26,106)
Loss before tax		(1,272,667)	(124,012)
Tax on loss		53,336	(10,603)
Loss for the financial period		(1,219,331)	(134,615)
Other comprehensive income for the period			
Plant fair value movement		-	(13,190)
Deferred tax on revaluation		-	2,506
Other comprehensive income for the period		-	(10,684)
Total comprehensive income for the period		(1,219,331)	(145,299)

The notes on pages 9 to 20 form part of these financial statements.

Bromsgrove Winding Services Limited

Registered number: 03169472

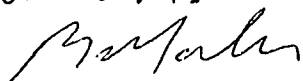
Statement of Financial Position As at 31 May 2018

		31 May 2018 £	As restated 31 December 2016 £
Fixed assets	Note		
Tangible assets	5	666,863	720,134
		<u>666,863</u>	<u>720,134</u>
Current assets			
Stocks	6	555,573	581,592
Debtors: amounts falling due within one year	7	261,526	397,160
Cash at bank and in hand	8	15,361	35,516
		<u>832,460</u>	<u>1,014,268</u>
Creditors: amounts falling due within one year	9	(2,488,364)	(1,073,532)
Net current liabilities		<u>(1,655,904)</u>	<u>(59,264)</u>
Total assets less current liabilities		<u>(989,041)</u>	<u>660,870</u>
Creditors: amounts falling due after more than one year	10	(75,200)	(452,444)
Provisions for liabilities			
Deferred tax	12	-	(53,336)
Net (liabilities)/assets		<u><u>(1,064,241)</u></u>	<u><u>155,090</u></u>
Capital and reserves			
Called up share capital	13	4	4
Revaluation reserve	14	170,068	170,068
Profit and loss account	14	(1,234,313)	(14,982)
		<u><u>(1,064,241)</u></u>	<u><u>155,090</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

16/5/2019.



R Macklin
Director

The notes on pages 9 to 20 form part of these financial statements.

Bromsgrove Winding Services Limited

Statement of Changes in Equity For the Period Ended 31 May 2018

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017	4	170,068	(14,982)	155,090
Comprehensive income for the period				
Loss for the period	-	-	(1,219,331)	(1,219,331)
Total comprehensive income for the period	-	-	(1,219,331)	(1,219,331)
At 31 May 2018	4	170,068	(1,234,313)	(1,064,241)

The notes on pages 9 to 20 form part of these financial statements.

Statement of Changes in Equity For the Year Ended 31 December 2016

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 June 2016	4	180,752	119,633	300,389
Comprehensive income for the year				
Loss for the period	-	-	(134,615)	(134,615)
Deficit on revaluation of other fixed assets	-	(10,684)	-	(10,684)
Total comprehensive income for the year	-	(10,684)	(134,615)	(145,299)
At 31 December 2016	4	170,068	(14,982)	155,090

The notes on pages 9 to 20 form part of these financial statements.

Bromsgrove Winding Services Limited

Notes to the Financial Statements For the Period Ended 31 May 2018

1. General information

Bromsgrove Winding Services Limited is a private company, limited by shares, incorporated in United Kingdom under the Companies Act 2006. The address of the registered office can be found on the company information page. The nature of the Company's operations and its principal activities are set out in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The Company's primary activity in the period continues to be the provision of voltage optimisation and energy storage solutions. The Company made loss before tax of £1,272,667 in the period to 31 May 2018.

In addition, the current forecasts and projections show that to continue as a going concern it will require the continued financial support of its parent company, EMSC Global Limited. EMSC Global Limited is in turn dependant on the ongoing support of its primary lender, which is due for renewal in November 2019. At the date of signing these accounts, the directors of the Company, having made due enquiry with the directors of EMSC Global Limited, consider that it is reasonable to believe that this financial support will continue to be forthcoming and that a going concern basis of accounting is therefore appropriate. A letter of support from the parent company has been received.

However, the conditions described above indicate the existence of a material uncertainty, which may cast doubt regarding the future financial structure and condition of the Company and its ability to continue as a going concern. The financial statements do not include the adjustments, which would result if the Company was unable to continue as a going concern.

2.3 Revenue

Revenue represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

The Company recognises revenue when the installation of goods is complete or if no installation when the goods are delivered to customers.

Amounts invoiced for which the revenue recognition criteria have yet to be satisfied are held within creditors and released to revenue in the period when the above revenue recognition criteria have been met.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Bromsgrove Winding Services Limited

Notes to the Financial Statements For the Period Ended 31 May 2018

2. Accounting policies (continued)

2.5 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.7 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 1999, is being amortised on a straight line basis over its estimated useful life of five years.

Bromsgrove Winding Services Limited

Notes to the Financial Statements For the Period Ended 31 May 2018

2. Accounting policies (continued)

2.9 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.10 Tangible fixed assets

Property and plant is included at fair value and gains are recognised in the Statement of Comprehensive Income. Deferred taxation is provided on these gains at the rate expected to apply when the property is sold. Depreciation is provided on freehold property and plant. The fair value reserve is adjusted accordingly.

Other items such as office equipment held are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold property	-	2% straight line
Plant, machinery and office equipment	-	20% on reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.11 Capital grant

In 2014 the Company received a grant from the Regional Growth Fund for £80,000 towards the cost of a new freehold property. The Company has shown the asset gross and the grant as deferred income. The grant will be released to the Statement of Comprehensive Income to match depreciation from 2015 onwards and written off over the property's estimated useful life. The rate is 2% straight line.

Bromsgrove Winding Services Limited

Notes to the Financial Statements For the Period Ended 31 May 2018

2. Accounting policies (continued)

2.12 Stocks

Stocks have been valued at the lower of cost and estimated selling price less costs to sell, after making due allowances for obsolete and slow moving items. Cost includes any expenditure incurred in bringing the stock to its present location and condition.

Finished goods include a relevant proportion of overheads according to the stage of manufacture/completion.

Work in progress is reflected in the accounts on a contract by contract basis by recording turnover and related costs as contract activity progresses.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment.

Debtors include the contractual value of work in progress.

Factored debts are included on the Statement of Financial Position within debtors. The proceeds received from the factor are included as secured liabilities. Factoring charges are recognised as they accrue and included within interest payable and similar charges.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.16 Financial instruments

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

The Company's cash at bank and in hand and trade and other debtors and its trade and other creditors and bank overdrafts are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

If a transaction constitutes a financing transaction it is measured at the present value of the future payments discounted at a market rate of interest, except where loans are received from a person who is within a director's group of close family members and that group contains a shareholder of the Company, then these are initially recorded at transaction price, and subsequently at amortised cost using the interest rate implicit in the contract.

Bromsgrove Winding Services Limited

Notes to the Financial Statements For the Period Ended 31 May 2018

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the Company's stock. Factors taking into account include the age of the stock and recent sales data.

Other key sources of estimation uncertainty

- **Tangible fixed assets (see note 5)**
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- The directors have assessed the value of properties and fixed assets held by the entity for impairment, the directors deem it appropriate to continue to hold the properties and fixed assets at previous valuation, with no evidence of impairment being noted. The previous valuation was professionally valued using a yield methodology using market rental values capitalised at a market capitalisation rate, but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself. At the period end, the directors deem there to be no material movement in fair value of asset held.
- The Company absorbs labour and overheads into stock cost for manufactured goods. This involves an element of estimation on the rate of labour and overhead cost being absorbed into stock. This level is updated annually to allow for changes in process or cost.

4. Employees

The average monthly number of employees, including directors, during the period was 34 (2016 - 33).

Bromsgrove Winding Services Limited

Notes to the Financial Statements For the Period Ended 31 May 2018

5. Tangible fixed assets

	Freehold property £	Plant, machinery and office equipment £	Total £
Cost or valuation			
At 1 January 2017	598,645	326,510	925,155
Additions	182	16,233	16,415
Transfers between classes	1,355	(1,355)	-
At 31 May 2018	600,182	341,388	941,570
Depreciation			
At 1 January 2017	8,000	197,021	205,021
Charge for the period	17,005	52,681	69,686
At 31 May 2018	25,005	249,702	274,707
Net book value			
At 31 May 2018	575,177	91,686	666,863
At 31 December 2016	590,645	129,489	720,134

Cost or valuation at 31 May 2018 is as follows:

	Land and buildings £	Plant and machinery £
At cost	442,981	275,438
At valuation:		
02 September 2015	157,201	65,950
	600,182	341,388

Bromsgrove Winding Services Limited

Notes to the Financial Statements For the Period Ended 31 May 2018

5. Tangible fixed assets (continued)

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	31 May 2018 £	31 December 2016 £
Cost	442,981	442,799
Accumulated depreciation	(20,551)	(8,000)
Net book value	422,430	434,799

Freehold land and buildings were valued on an open market basis on 2 September 2015 by J Truslove Commercial Property Surveyors.

The Directors do not believe there to be any difference between carrying value and fair value, having taken appropriate steps to determine fair value.

If the plant and machinery had not been included at valuation they would have been included under the historical cost convention as follows:

	31 May 2018 £	31 December 2016 £
Cost	275,388	259,155
Accumulated depreciation	(231,016)	(178,335)
Net book value	44,372	80,820

The plant and machinery was revalued by the directors at 31 December 2015.

The Directors do not believe there to be any difference between carrying value and fair value, having taken appropriate steps to determine fair value.

Bromsgrove Winding Services Limited

Notes to the Financial Statements For the Period Ended 31 May 2018

6. Stocks

	31 May 2018 £	31 December 2016 £
Work in progress (goods to be sold)	197,328	121,790
Finished goods and goods for resale	358,245	459,802
	<u>555,573</u>	<u>581,592</u>

Stock recognised in cost of sales during the period as an expense was £2,588,536 (2016 - £1,658,757).

An impairment loss of £82,003 (2016 - £Nil) was recognised in cost of sales against stock during the period due to slow-moving and obsolete stock.

There is no material difference between the replacement cost of stocks and the amounts stated above.

7. Debtors

	31 May 2018 £	31 December 2016 £
Trade debtors	180,214	247,866
Amounts owed by group undertakings	20,000	-
Other debtors	6,074	125,528
Prepayments and accrued income	54,069	23,766
Director loan accounts	1,169	-
	<u>261,526</u>	<u>397,160</u>

8. Cash and cash equivalents

	31 May 2018 £	31 December 2016 £
Cash at bank and in hand	15,361	35,516
	<u>15,361</u>	<u>35,516</u>

Bromsgrove Winding Services Limited

Notes to the Financial Statements For the Period Ended 31 May 2018

9. Creditors: Amounts falling due within one year

	31 May 2018 £	As restated 31 December 2016 £
Bank loans	365,434	22,006
Other loans	112,814	291,170
Trade creditors	378,984	395,147
Amounts owed to group undertakings	1,482,997	44,346
Corporation tax	7,224	7,224
Other taxation and social security	61,410	84,708
Other creditors	50,189	6,501
Accruals and deferred income	25,631	211,123
Director loan accounts	3,681	11,307
	<u>2,488,364</u>	<u>1,073,532</u>

HSBC bank plc hold a legal mortgage over the freehold property Units B&C, Sugarbrook Business Park, Buntsford Park Road, Bromsgrove dated 16 August 2016.

Amounts owed to group undertakings are interest free and repayable on demand.

The directors have evaluated that the presentation of the note has been adapted to provide a more representative detail of disclosure. The restated balances are within the same disclosure note and are reclassifications for balance sheet purposes only, there was no impact upon the opening equity at 1 January 2016 or the profit for the year ended 31 December 2016.

10. Creditors: Amounts falling due after more than one year

	31 May 2018 £	As restated 31 December 2016 £
Mortgage loan	-	375,644
Government grants received	75,200	76,800
	<u>75,200</u>	<u>452,444</u>

HSBC bank plc hold a legal mortgage over the freehold property Units B&C, Sugarbrook Business Park, Buntsford Park Road, Bromsgrove dated 16 August 2016.

The directors have evaluated that the presentation of the note has been adapted to provide a more representative detail of disclosure. The restated balances are within the same disclosure note and are reclassifications for balance sheet purposes only, there was no impact upon the opening equity at 1 January 2016 or the profit for the year ended 31 December 2016.

Bromsgrove Winding Services Limited

Notes to the Financial Statements For the Period Ended 31 May 2018

11. Loans

Analysis of the maturity of loans is given below:

	31 May 2018 £	As restated 31 December 2016 £
Amounts falling due within 1 year		
Mortgage loan	365,434	22,006
Other loans	112,814	291,170
	478,248	313,176
 Mortgage loan falling due within 2-5 years	 -	 93,882
Mortgage loan falling due after more than 5 years	-	281,762
	478,248	688,820

HSBC bank plc hold a legal mortgage over the freehold property Units B&C, Sugarbrook Business Park, Buntsford Park Road, Bromsgrove dated 16 August 2016.

The other loans comprise of:

- Import facility loan of £500,000, which is subject to varying repayment terms. Combined import line repayment period is up to 150 days for each transaction. Import line repayment period is up to 72 days for each transaction. This facility is for transactions that the Bank has settled on behalf of the Company. At 31 May 2018 the amount outstanding on this loan was £78,089 (2016 - £Nil). The Company's import facility loan agreement is subject to quarterly reviews by the bank of the Company's management information.
- A loan of £156,260 was drawn down on 29 January 2016. This is a 3 year facility with monthly repayments of £4,984 and bears interest at 9.2% per annum. There are no covenants on this loan. At 31 May 2018 the amount outstanding on this loan was £34,724 (2016 - £108,514).
- A trade finance loan of £200,000 which is subject to 90 day repayment terms and bears interest of 2% per month. At 31 May 2018 the amount outstanding on this loan was £Nil (2016 - £182,656).

The directors have evaluated that the presentation of the note has been adapted to provide a more representative detail of disclosure. The restated balances are within the same disclosure note and are reclassifications for balance sheet purposes only, there was no impact upon the opening equity at 1 January 2016 or the profit for the year ended 31 December 2016.

Bromsgrove Winding Services Limited

Notes to the Financial Statements For the Period Ended 31 May 2018

12. Deferred taxation

	2018 £
At beginning of period	53,336
Charged to profit or loss	(53,336)
At end of period	-

The deferred taxation balance is made up as follows:

	31 May 2018 £	31 December 2016 £
Accelerated capital allowances	-	53,336

13. Share capital

	31 May 2018 £	31 December 2016 £
Allotted, called up and fully paid		
4 Ordinary shares of £1 each	4	4

14. Reserves

The Company's reserves are as follows:

Share capital

Share capital represents the nominal value of shares issued.

Revaluation reserve

The revaluation reserve includes the revaluation surplus due to property and plant being included at fair value.

Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

Bromsgrove Winding Services Limited

Notes to the Financial Statements For the Period Ended 31 May 2018

15. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £9,764 (2016 - £9,205). Contributions totalling £5,491 (2016 - £Nil) were payable to the fund at the reporting date and are included in creditors.

16. Commitments under operating leases

At 31 May 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	31 May 2018 £	31 December 2016 £
Not later than 1 year	25,823	9,894
Later than 1 year and not later than 5 years	48,824	6,995
Later than 5 years	-	-
	<u>74,647</u>	<u>16,889</u>

17. Related party transactions

The Company is a wholly owned subsidiary of EMSC (UK) Limited and has taken advantage of the available exemption conferred by section 33.1A of FRS 102 not to disclose transactions with group members due to consolidated accounts being publicly available.

18. Controlling party

As at 31 December 2016, the ultimate controlling party was deemed to be A R Ricketts. On 2 February 2017 A R Ricketts sold his shares to Dr A Mardapittas, changing the control of the Company to Dr A Mardapittas. On 18 December 2017, the Company was acquired by EMSC Global Limited.

The Company's immediate and ultimate parent company is EMSC Global Limited, which is registered at EMS House Unit 2, 4 Cowley Way, Ecclesfield, Sheffield, South Yorkshire, S35 1QP.

The largest and smallest group in which the results of the Company are consolidated is that headed by EMSC Global Limited, incorporated in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. No other group accounts include the results of the Company.