REGISTERED NUMBER: 03731819 (England and Wales)

DIRECTORS' REPORT AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

FOR

MILLTECH PRECISION ENGINEERING LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017

DIRECTORS:	Mr P I Rowlands Mr J Harding Mr P Lebbon
SECRETARY:	Mrs A Reeve
REGISTERED OFFICE:	Liberamus House Witchcraft Way Rackheath Industrial Estate Rackheath Norfolk NR13 6GA
REGISTERED NUMBER:	03731819 (England and Wales)
SENIOR STATUTORY AUDITOR:	Mr Anthony Brain
INDEPENDENT AUDITORS:	CG LEE Limited Chartered Certified Accountants Statutory Auditors Ingram House Meridian Way Norwich Norfolk NR7 0TA

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of precision engineering.

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

Mr P I Rowlands
Mr J Harding
Mr P Lebbon

STATEMENT OF DIRECTORS' RESPONSIBILITIES
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 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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS
CG LEE Limited, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 unless the company receives notice under Section 488(1) of the Act.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

Mr J Harding - Director

17 April 2018

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MILLTECH PRECISION ENGINEERING LIMITED

Opinion

We have audited the financial statements of Milltech Precision Engineering Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, Balance Sheet, 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).

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.

In our opinion, except for the effects of the matter described in the Basis for qualified opinion section of our report, the accompanying financial statements:
- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

The company recognises a sale upon the despatch of goods to the customer. The accounts do not include a number of sales invoices issued after the year end where despatch took place during the year. Had these sales been included in the accounts then turnover would have increased by £133,564, stock would have decreased by £48,234 and profit before tax would have increased by £85,330.

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 Auditors' 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Directors' Report, but does not include the financial statements and our Auditors' Report thereon.

Our opinion on the financial statements does not cover the other information and 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, 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. We have nothing to report in this regard.

Opinion 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 year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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.

Our 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 Auditors' 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 on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Mr Anthony Brain (Senior Statutory Auditor)
for and on behalf of CG LEE Limited
Chartered Certified Accountants
Statutory Auditors
Ingram House
Meridian Way
Norwich
Norfolk
NR7 0TA

19 April 2018

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
TURNOVER		3,999,370	3,322,830
Cost of sales		2,676,116	2,270,300
GROSS PROFIT		1,323,254	1,052,530
Administrative expenses		850,011	721,647
		473,243	330,883
Other operating income		2,339	-
OPERATING PROFIT	5	475,582	330,883
Interest payable and similar expenses	6	6,812	7,668
PROFIT BEFORE TAXATION		468,770	323,215
Tax on profit	7	41,779	65,669
PROFIT FOR THE FINANCIAL YEAR		426,991	257,546
OTHER COMPREHENSIVE INCOME			
Gain due to change in tax rate		19,238	-
Income tax relating to other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		19,238	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		446,229	257,546

The notes form part of these financial statements

BALANCE SHEET
31 DECEMBER 2017

		2017		2016	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	9		1,967,095		1,570,207
CURRENT ASSETS					
Stocks	10	621,779		376,345	
Debtors	11	691,665		850,321	
Cash in hand		231		95	
		1,313,675		1,226,761	
CREDITORS					
Amounts falling due within one year	12	1,508,272		1,018,607	
NET CURRENT (LIABILITIES)/ASSETS			(194,597)		208,154
TOTAL ASSETS LESS CURRENT LIABILITIES			1,772,498		1,778,361
CREDITORS					
Amounts falling due after more than one year	13		(19,806)		(77,672)
PROVISIONS FOR LIABILITIES	16		(181,015)		(275,241)
NET ASSETS			1,571,677		1,425,448
CAPITAL AND RESERVES					
Called up share capital	17		100		100
Revaluation reserve	18		545,384		759,882
Retained earnings	18		1,026,193		665,466
SHAREHOLDERS' FUNDS			1,571,677		1,425,448

The financial statements were approved by the Board of Directors on 17 April 2018 and were signed on its behalf by:

Mr J Harding - Director

Mr P Lebbon - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 January 2016	100	1,131,826	759,882	1,891,808
Changes in equity				
Dividends	-	(723,906)	-	(723,906)
Total comprehensive income	-	257,546	-	257,546
Balance at 31 December 2016	100	665,466	759,882	1,425,448
Changes in equity				
Dividends	-	(300,000)	-	(300,000)
Total comprehensive income	-	660,727	(214,498)	446,229
Balance at 31 December 2017	100	1,026,193	545,384	1,571,677

1. GENERAL INFORMATION

The company is a private company limited by shares and is incorporated in England. The address of its registered office is Liberamus House, Witchcraft Way, Rackheath Industrial Estate, Rackheath, Norfolk, NR13 6GA.

2. STATUTORY INFORMATION

Milltech Precision Engineering 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.

3. 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 as modified by the revaluation of certain assets.

Financial Reporting Standard 102 - reduced disclosure exemptions
The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Going concern
The directors carry out an annual and periodic forecasting exercise covering the operations of the company and as a result of this and considering possible sensitivities, the directors have a reasonable expectation that the company has adequate resources to continue to meet the obligations of the company as they fall due.

As at 31 December 2017 the company had net current liabilities of £194,597. Directors have confirmed that the parent company will provide financial support as and when required for the foreseeable future.

Accordingly, the going concern basis has been adopted when preparing these financial statements.

Turnover
Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied excluding discounts, rebates and value added tax. Turnover is recognised upon despatch of goods to the customer.

Employee benefits
Short term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

continued...

3. **ACCOUNTING POLICIES - continued**

Tangible fixed assets
Tangible fixed assets are initially recorded at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is provided at the following rates in order to write off each asset over the estimated useful life or, if held under finance lease, over the lease term which ever is shorter.

Plant & machinery - 4 to 10 years straight line

Any revaluation increase in the carrying amount is recognised in other comprehensive income and included in the revaluation reserve in equity, or to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit and loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expended. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against revaluation reserve in equity; decreases exceeding the balance in revaluation reserve relating to an asset are recognised in profit or loss.

At the end of each reporting period the difference between depreciation based on the revalued carrying amount of the asset recognised in profit or loss and depreciation based on the asset's original cost is transferred from revaluation reserve to retained earnings.

On disposal, the difference between the net disposal proceeds and the carrying amount of the item sold is recognised in comprehensive income.

Stocks
Raw Materials
Raw materials are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress and finished goods
Work in progress and finished goods are valued using the standard cost method. The average cost is determined based on the average cost of production and the number of units produced. The average cost comprises raw materials, direct labour and other related production overheads.

Work in progress is included in the balance sheet and credited to the profit and loss account in relation to the stage of completion of the associated order.

Taxation
The tax charge represents the aggregate amount of current tax and deferred tax recognised in the reporting period.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

A deferred tax asset or liability is recognised for tax recoverable or payable in future periods in respect of transactions and events recognised in the financial statements of current and previous periods.

Deferred tax arises from timing differences that are differences between taxable profits and the company's results as stated in the financial statements. Timing differences result from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date apart from certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing differences.

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

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3. **ACCOUNTING POLICIES - continued**

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.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts, where applicable, are shown within borrowings in current liabilities.

Financial instruments
Basic financial instruments are recognised at amortised cost, except for investments in non-convertible preference and non-puttable ordinary shares which are measured at fair value, with changes recognised in profit or loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss.

Judgements and key sources of estimation uncertainty
The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that the actual outcomes could differ from those estimates. In the process of applying the company's accounting policies, management has made the following judgements and estimates which have the most significant effect on the amounts recognised in the financial statements:

<u>Depreciation of tangible fixed assets</u>
An allowance for depreciation is made against tangible fixed assets and charged to the profit and loss account over the useful economic lives of the assets. The useful economic life assessment of an asset is based on the time in which benefits of the asset are realised to the company. See note 9 for the net carrying value of the tangible fixed assets, and note 3 for the useful economic lives for each class of assets.

<u>Impairment of debtors</u>
The directors make an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, the directors consider factors including the credit worthiness and financial conditions of customers. See note 11 for the net carrying amount of the debtors and associated impairment provision.

<u>Impairment of stocks</u>
The company makes an estimate of the recoverable value of stocks. When calculating the stock provision, management considers the nature and condition of the stock as well as applying assumptions around anticipated saleability of goods held for resale. See note 10 for the net carrying amount of stocks and the related movement in impairment provision.

<u>Going concern</u>
The directors make an estimate of the future performance of the company in order to prepare the financial statements under the going concern methodology. When assessing the future performance, the directors considers financial projections which reflect the current and expected market conditions, operational cash flow requirements and financing opportunities.

continued...

4. EMPLOYEES AND DIRECTORS

	2017	2016
	£	£
Wages and salaries	1,471,645	1,261,572
Social security costs	14,755	12,329
Other pension costs	34,161	28,155
	1,520,561	1,302,056

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

	2017	2016
Management	2	2
Admin	2	2
Factory	39	39
	43	43

	2017	2016
	£	£
Directors' remuneration	114,257	109,469

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	2	2

5. OPERATING PROFIT

The operating profit is stated after charging:

	2017	2016
	£	£
Hire of plant and machinery	13,795	10,359
Depreciation - owned assets	181,489	160,794
Depreciation - assets on hire purchase contracts	47,500	47,500
Auditors' remuneration - audit of financial statements	8,625	8,625

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	£	£
Other interest payable	2,044	376
Hire purchase	4,768	7,292
	6,812	7,668

7. TAXATION

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	2017	2016
	£	£
Current tax:		
UK corporation tax	103,153	93,666
Prior year under provision	1,114	-
Total current tax	104,267	93,666
Deferred tax	(62,488)	(27,997)
Tax on profit	41,779	65,669

continued...

7. **TAXATION - continued**

Reconciliation of total tax 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:

	2017	2016
	£	£
Profit before tax	468,770	323,215
Profit multiplied by the standard rate of corporation tax in the UK of 19.247% (2016 - 20%)	90,224	64,643
Effects of:		
Expenses not deductible for tax purposes	(64)	1,026
Capital allowances in excess of depreciation	(49,495)	-
Adjustments to tax charge in respect of previous periods	1,114	-
Total tax charge	41,779	65,669

Tax effects relating to effects of other comprehensive income

	2017		
	Gross	Tax	Net
	£	£	£
Gain due to change in tax rate	19,238	-	19,238

	2016		
	Gross	Tax	Net
	£	£	£
Gain on revaluation of tangible fixed assets			
	-	-	-

Factors that may affect future current and total tax charges
UK corporation tax rate reduced from 20% to 19% effective from 1 April 2017. These changes have been taken into account in measuring deferred tax assets and liabilities at the balance sheet date. These changes are not anticipated to have a material impact on the company's financial statements in future periods.

The deferred tax liability has been recognised at an effective rate of 19%.

8. **DIVIDENDS**

	2017	2016
	£	£
Interim	300,000	723,906

continued...

9. TANGIBLE FIXED ASSETS

	Plant and machinery £
COST OR VALUATION	
At 1 January 2017	1,980,077
Additions	625,877
At 31 December 2017	2,605,954
DEPRECIATION	
At 1 January 2017	409,870
Charge for year	228,989
At 31 December 2017	638,859
NET BOOK VALUE	
At 31 December 2017	1,967,095
At 31 December 2016	1,570,207

Cost or valuation at 31 December 2017 is represented by:

	Plant and machinery £
Valuation in 2015	1,926,000
Cost	679,954
	2,605,954

If tangible fixed assets had not been revalued they would have been included at the following historical cost:

	2017 £	2016 £
Cost	3,605,002	2,979,125
Aggregate depreciation	2,518,744	2,362,864

Tangible fixed assets were valued on an open market basis on 31 December 2014 by ES Group .

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

	Plant and machinery £
COST OR VALUATION	
At 1 January 2017	475,000
Transfer to ownership	(65,000)
At 31 December 2017	410,000
DEPRECIATION	
At 1 January 2017	95,000
Charge for year	47,500
Transfer to ownership	(19,500)
At 31 December 2017	123,000
NET BOOK VALUE	
At 31 December 2017	287,000
At 31 December 2016	380,000

continued...

10. STOCKS

	2017	2016
	£	£
Stocks	621,779	376,345

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade debtors	658,612	810,701
Amounts owed by group undertakings	247	1,890
Other debtors	78	1,900
VAT	2,081	-
Prepayments	30,647	35,830
	691,665	850,321

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Bank loans and overdrafts (see note 14)	494,340	352,070
Hire purchase contracts (see note 15)	57,869	58,362
Trade creditors	706,575	391,139
Tax	56,142	44,468
Social security and other taxes	35,962	28,258
VAT	-	49,863
Other creditors	92,007	80,103
Accrued expenses	65,377	14,344
	1,508,272	1,018,607

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

	2017	2016
	£	£
Hire purchase contracts (see note 15)	19,806	77,672

14. LOANS

An analysis of the maturity of loans is given below:

	2017	2016
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	494,340	352,070

The bank overdraft is guaranteed by the parent company, Indutrade AB.

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2017	2016
	£	£
Net obligations repayable:		
Within one year	57,869	58,362
Between one and five years	19,806	77,672
	77,675	136,034

continued...

15. LEASING AGREEMENTS - continued

	Non-cancellable operating leases	
	2017	2016
	£	£
Within one year	119,103	14,879
Between one and five years	516,113	-
In more than five years	526,055	203,501
	1,161,271	218,380

16. PROVISIONS FOR LIABILITIES

	2017	2016
	£	£
Deferred tax		
Accelerated capital allowances	50,586	58,247
Tangible fixed assets revaluation	127,929	201,994
	178,515	260,241
Other provisions		
Dilapidation provision	2,500	15,000
Aggregate amounts	181,015	275,241

	Deferred tax
	£
Balance at 1 January 2017	260,241
Provided during year	(81,726)
Balance at 31 December 2017	178,515

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017 £	2016 £
100	Ordinary	£1	100	100

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

18. RESERVES

	Retained earnings	Revaluation reserve	Totals
	£	£	£
At 1 January 2017	665,466	759,882	1,425,348
Profit for the year	426,991		426,991
Dividends	(300,000)		(300,000)
Excess depn on revalued assets	233,736	(233,736)	-
Deferred tax	-	19,238	19,238
At 31 December 2017	1,026,193	545,384	1,571,577

continued...

19. POST BALANCE SHEET EVENTS

On 6 February 2018, the company purchased the entire share capital of R. A. Howarth (Engineering) Limited, a company incorporated in England and Wales, for £796,000.

20. ULTIMATE CONTROLLING PARTY

The ultimate parent company and controlling party is Indutrade AB, a company incorporated in Sweden. Indutrade AB heads the largest and smallest group of companies to consolidate these financial statements. A copy of the Indutrade AB consolidated financial statements are available from Indutrade AB, Raseborgsgatan 9, Box 6044, SE-164 06 Kista.