

DOWSON BLADES LIMITED

UNAUDITED
FINANCIAL STATEMENTS

31 MARCH 2017

ArmstrongWatson[®]
Accountants & Financial Advisers



DOWSON BLADES LIMITED
REGISTERED NUMBER: 01994721

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	326,319	375,717
		<u>326,319</u>	<u>375,717</u>
Current assets			
Stocks	5	682,382	737,050
Debtors: amounts falling due within one year	6	915,985	754,471
Cash at bank and in hand	7	2,000	2,000
		<u>1,600,367</u>	<u>1,493,521</u>
Creditors: amounts falling due within one year	8	(772,014)	(670,744)
Net current assets		<u>828,353</u>	<u>822,777</u>
Total assets less current liabilities		<u>1,154,672</u>	<u>1,198,494</u>
Creditors: amounts falling due after more than one year	9	(330,385)	(467,023)
Provisions for liabilities			
Deferred tax	12	(29,833)	(31,300)
		<u>(29,833)</u>	<u>(31,300)</u>
Accruals and deferred income	13	(5,000)	(10,000)
Net assets excluding pension asset		<u>789,454</u>	<u>690,171</u>
Net assets		<u><u>789,454</u></u>	<u><u>690,171</u></u>

DOWSON BLADES LIMITED
REGISTERED NUMBER: 01994721

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Capital and reserves			
Called up share capital	14	3,825	3,825
Share premium account		146,225	146,225
Capital redemption reserve		50,050	50,050
Profit and loss account		589,354	490,071
		<u>789,454</u>	<u>690,171</u>

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

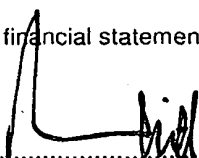
The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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


.....
Mr R J Duckitt
Director

Date: 12.10.17

The notes on pages 3 to 10 form part of these financial statements.

DOWSON BLADES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. General information

Dowson Blades Limited is a company limited by shares incorporated in the United Kingdom, the company registration number is 01994721. The registered office address is Unit 6, West Cumbria Business Park, Derwent Howe, Workington, Cumbria, CA14 3YW.

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 following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 10% straight line
Motor vehicles	- 20% straight line

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.

DOWSON BLADES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 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.

2.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.8 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.

2.9 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 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.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

DOWSON BLADES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.11 Interest income

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

2.12 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.14 Current and deferred taxation

The tax expense for the year 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.

3. Employees

The average monthly number of employees, including directors, during the year was 0 (2016 - 0).

DOWSON BLADES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

4. Tangible fixed assets

	Freehold & leasehold land & buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 2016	60,000	787,213	24,297	871,510
Additions	-	51,335	-	51,335
At 31 March 2017	60,000	838,548	24,297	922,845
Depreciation				
At 1 April 2016	-	494,578	1,215	495,793
Charge for the year on owned assets	-	95,874	4,859	100,733
At 31 March 2017	-	590,452	6,074	596,526
Net book value				
At 31 March 2017	60,000	248,096	18,223	326,319
At 31 March 2016	60,000	292,635	23,082	375,717

The net book value of land and buildings may be further analysed as follows:

	2017 £	2016 £
Freehold	60,000	60,000

DOWSON BLADES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

5. Stocks

	2017 £	2016 £
Raw materials and consumables	<u>682,382</u>	<u>737,050</u>

6. Debtors

	2017 £	2016 £
Trade debtors	179,013	208,732
Other debtors	705,452	507,250
Prepayments and accrued income	31,520	38,489
	<u>915,985</u>	<u>754,471</u>

7. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	<u>2,000</u>	<u>2,000</u>

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank loans	363,283	388,808
Trade creditors	109,785	91,785
Corporation tax	70,167	60,152
Other taxation and social security	38,208	17,279
Obligations under finance lease and hire purchase contracts	2,970	2,970
Other creditors	187,601	109,750
	<u>772,014</u>	<u>670,744</u>

DOWSON BLADES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

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

	2017 £	2016 £
Bank loans	312,466	446,134
Net obligations under finance leases and hire purchase contracts	17,919	20,889
	<u>330,385</u>	<u>467,023</u>

Included in creditors due after more than one year are bank loans amounting to £330,385 (2016 - £467,023) and net obligations under finance leases and hire purchase contracts amounting to £17,919 (2016 - £20,889) which are secured by the company.

10. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year		
Bank loans	363,283	388,808
Amounts falling due 2-5 years		
Bank loans	312,466	415,052
Amounts falling due after more than 5 years		
Bank loans	-	31,082
	<u>675,749</u>	<u>834,942</u>

11. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Within one year	2,970	2,970
Between 2-5 years	17,919	20,889
	<u>20,889</u>	<u>23,859</u>

DOWSON BLADES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

12. Deferred taxation

	2017 £	2016 £
At beginning of year	(31,300)	(47,900)
Charged to profit or loss	1,467	16,600
At end of year	(29,833)	(31,300)

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(29,833)	(31,300)

13. Accruals and deferred income

	2017 £	2016 £
1 to 2 years	(5,000)	(10,000)

14. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
2,550 Ordinary A shares of £1 each	2,550	2,550
1,275 Ordinary B shares of £1 each	1,275	1,275
	3,825	3,825

15. Commitments under operating leases

At 31 March 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Later than 1 year and not later than 5 years	30,000	30,000
Later than 5 years	40,000	40,000
	70,000	70,000

DOWSON BLADES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

16. Related party transactions

During the year no dividends were paid to the director (2016 - £nil).

Mr R J Duckitt, director and shareholder, is a trustee and member of the James Dowson Executive Pension Scheme. During the year the company paid rent to the scheme totalling £40,000 (2016 - £40,000) in respect of premises owned by the scheme which was occupied by the company, the amounts payable being on normal commercial terms. Nothing was outstanding at the balance sheet date in this respect (2016 - £nil).

The company also leased plant and machinery from the scheme for a rental charge of £30,000 for the year (2016 - £30,000), being at market value, and paid royalties of £23,494 (2016 - £23,494) in respect of an items of plant and machinery. Nothing was outstanding at the balance sheet date in this respect (2016 - £nil).

The company has a loan agreement with the scheme to borrow £150,000 at a 3% rate of interest per annum. The balance owing to the scheme by the company was £55,000 at the balance sheet date (2016 - £85,000) which is included within creditors. Interest of £4,382 was payable on this loan, which is secured and repayable on demand.

17. Controlling party

The company was under the control of Mr R J Duckitt throughout the current and previous year. MR R J Duckitt is the sole director and owns 100% of the ordinary A share capital of the company, and indirectly control 100% of the ordinary B share capital through his ability to extract a controlling influence over the James Dowson Executive Pension Scheme.

18. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.