

Company Registration No. 02027001 (England and Wales)

CDK Systems Limited

**Financial statements
for the year ended 31 December 2016**

Pages for filing with the Registrar

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CDK Systems Limited

Company information

Directors	David Daniel Shona Hornby Andrew Hornby
Secretary	Shona Hornby
Company number	02027001
Registered office	11 John Bradshaw Court Alexandria Way Congleton Cheshire CW12 1LB
Independent auditors	Saffery Champness Mitre House North Park Road Harrogate North Yorkshire HG1 5RX

CDK Systems Limited

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CDK Systems Limited

**Statement of financial position
As at 31 December 2016**

	Notes	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	3		36,090		47,196
Current assets					
Stocks		212,799		173,800	
Debtors	4	389,145		668,779	
Cash at bank and in hand		409,372		255,679	
		<u>1,011,316</u>		<u>1,098,258</u>	
Creditors: amounts falling due within one year	5	<u>(593,969)</u>		<u>(246,993)</u>	
Net current assets			<u>417,347</u>		<u>851,265</u>
Total assets less current liabilities			<u>453,437</u>		<u>898,461</u>
Provisions for liabilities			<u>(4,877)</u>		<u>(7,816)</u>
Net assets			<u><u>448,560</u></u>		<u><u>890,645</u></u>
Capital and reserves					
Called up share capital	8		110		110
Capital redemption reserve			1,890		1,890
Profit and loss reserves			<u>446,560</u>		<u>888,645</u>
Total equity			<u><u>448,560</u></u>		<u><u>890,645</u></u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

CDK Systems Limited

Statement of financial position (continued)

As at 31 December 2016

The financial statements were approved by the board of directors and authorised for issue on 20/3/17 and are signed on its behalf by:

A handwritten signature in black ink, appearing to read 'A. Hornby', is written over a dotted line. A horizontal line extends from the end of the signature.

Andrew Hornby
Director

Company Registration No. 02027001

CDK Systems Limited

**Statement of changes in equity
For the year ended 31 December 2016**

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2015		110	1,890	977,697	979,697
Year ended 31 December 2015:					
Profit and total comprehensive income for the year		-	-	342,588	342,588
Dividends		-	-	(431,640)	(431,640)
Balance at 31 December 2015		110	1,890	888,645	890,645
Year ended 31 December 2016:					
Profit and total comprehensive income for the year		-	-	335,896	335,896
Dividends		-	-	(777,981)	(777,981)
Balance at 31 December 2016		110	1,890	446,560	448,560

Notes to the financial statements
For the year ended 31 December 2016

1 Accounting policies

Company information

CDK Systems Limited is a private company limited by shares incorporated in England and Wales. The registered office is 11 John Bradshaw Court, Alexandria Way, Congleton, Cheshire, CW12 1LB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2016 are the first financial statements of CDK Systems Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised at the point of sale to the customer.

Service and maintenance contract revenue is recognised monthly in arrears.

1.3 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.4 Tangible fixed assets

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

Notes to the financial statements (continued)
For the year ended 31 December 2016

1 Accounting policies (continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	Straight line over the term of the lease
Fixtures, fittings & equipment	10% - 33% on a straight line basis
Motor vehicles	25% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.6 Stocks

Stocks largely comprise of component parts and are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the financial statements (continued)
For the year ended 31 December 2016

1 Accounting policies (continued)

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as 'creditors: amounts falling due within one year' if payment is due within one year or less. If not, they are presented as 'creditors: amounts falling due after more than one year'. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1 Accounting policies (continued)

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.12 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the time of the transaction. All differences are taken to profit and loss account.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 34 (2015 - 32).

Notes to the financial statements (continued)
For the year ended 31 December 2016

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2016	64,901	81,372	146,273
Additions	-	9,688	9,688
At 31 December 2016	64,901	91,060	155,961
Depreciation and impairment			
At 1 January 2016	54,742	44,335	99,077
Depreciation charged in the year	2,764	18,030	20,794
At 31 December 2016	57,506	62,365	119,871
Carrying amount			
At 31 December 2016	7,395	28,695	36,090
At 31 December 2015	10,159	37,037	47,196

4 Debtors

	2016	2015
	£	£
Amounts falling due within one year:		
Trade debtors	357,096	310,836
Amounts due from group undertakings	-	326,541
Other debtors	32,049	31,402
	389,145	668,779

5 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	54,758	58,405
Corporation tax	67,800	61,939
Other taxation and social security	102,075	103,818
Other creditors	369,336	22,831
	593,969	246,993

Notes to the financial statements (continued)
For the year ended 31 December 2016

6 Provisions for liabilities

	2016	2015
	£	£
Deferred tax liabilities	4,877	7,816
	<u>4,877</u>	<u>7,816</u>
	<u><u>4,877</u></u>	<u><u>7,816</u></u>

7 Retirement benefit schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

At the balance sheet date, unpaid contributions of £2,369 (2015 £nil) were due to the fund. They are included within other creditors.

8 Called up share capital

	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
440 Ordinary shares of 25p each	110	110
	<u>110</u>	<u>110</u>

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditors' report was unqualified.

The senior statutory auditor was Jonathan Davis.

The auditor was Saffery Champness.

Notes to the financial statements (continued)
For the year ended 31 December 2016

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016	2015
	£	£
Within one year	56,808	83,947
Between two and five years	175,937	200,864
	<u>232,745</u>	<u>284,811</u>

11 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2016	2015
	£	£
Acquisition of property, plant and equipment	-	7,513
	<u>-</u>	<u>7,513</u>

12 Related party transactions

Remuneration of key management personnel

	2016	2015
	£	£
Aggregate compensation	165,664	204,821
	<u>165,664</u>	<u>204,821</u>

Transactions with related parties

No guarantees have been given or received.

Included within other creditors is £348,077 (2015: £2,376) owed to Shona Hornby.

During the year rent of £nil (2015: £1,333) was paid to a self-invested personal pension, of which David Daniel is a Trustee.

13 Parent company

The parent company is A S Brooklands, a company incorporated in England and Wales.