

Company Registration No. 02075421 (England and Wales)

**PRV ENGINEERING LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**  
**PAGES FOR FILING WITH REGISTRAR**



# **PRV ENGINEERING LIMITED**

## **CONTENTS**

---

|                                   | <b>Page</b> |
|-----------------------------------|-------------|
| Balance sheet                     | 2           |
| Notes to the financial statements | 3 - 15      |

---

# PRV ENGINEERING LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

|                                                    | Notes | Share capital<br>£ | Revaluation reserve<br>£ | Profit and loss reserves<br>£ | Total<br>£ |
|----------------------------------------------------|-------|--------------------|--------------------------|-------------------------------|------------|
| <b>Balance at 1 January 2016</b>                   |       | 2                  | 247,877                  | 2,194,425                     | 2,442,304  |
| <b>Year ended 31 December 2016:</b>                |       |                    |                          |                               |            |
| Profit and total comprehensive income for the year |       | -                  | -                        | 504,053                       | 504,053    |
| Dividends                                          |       | -                  | -                        | (102,432)                     | (102,432)  |
| Transfers between reserves                         |       | -                  | (5,818)                  | 5,818                         | -          |
| <b>Balance at 31 December 2016</b>                 |       | 2                  | 242,059                  | 2,601,864                     | 2,843,925  |
| <b>Year ended 31 December 2017:</b>                |       |                    |                          |                               |            |
| Profit and total comprehensive income for the year |       | -                  | -                        | 465,881                       | 465,881    |
| Dividends                                          |       | -                  | -                        | (93,013)                      | (93,013)   |
| Transfers between reserves                         |       | -                  | (5,818)                  | 5,818                         | -          |
| <b>Balance at 31 December 2017</b>                 |       | 2                  | 236,241                  | 2,980,550                     | 3,216,793  |

# PRV ENGINEERING LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2017

|                                                                | Notes | 2017<br>£   | £ | 2016<br>£   | £ |
|----------------------------------------------------------------|-------|-------------|---|-------------|---|
| <b>Fixed assets</b>                                            |       |             |   |             |   |
| Tangible assets                                                | 5     | 2,250,034   |   | 2,001,865   |   |
| <b>Current assets</b>                                          |       |             |   |             |   |
| Stocks                                                         | 6     | 390,055     |   | 347,888     |   |
| Debtors                                                        | 7     | 2,915,117   |   | 2,722,252   |   |
| Cash at bank and in hand                                       |       | 272,778     |   | 193,891     |   |
|                                                                |       | 3,577,950   |   | 3,264,031   |   |
| <b>Creditors: amounts falling due within one year</b>          | 8     | (1,328,754) |   | (1,267,581) |   |
| <b>Net current assets</b>                                      |       | 2,249,196   |   | 1,996,450   |   |
| <b>Total assets less current liabilities</b>                   |       | 4,499,230   |   | 3,998,315   |   |
| <b>Creditors: amounts falling due after more than one year</b> | 9     | (1,166,379) |   | (1,014,023) |   |
| <b>Provisions for liabilities</b>                              | 12    | (116,058)   |   | (140,367)   |   |
| <b>Net assets</b>                                              |       | 3,216,793   |   | 2,843,925   |   |
| <b>Capital and reserves</b>                                    |       |             |   |             |   |
| Called up share capital                                        | 14    | 2           |   | 2           |   |
| Revaluation reserve                                            | 15    | 236,241     |   | 242,059     |   |
| Profit and loss reserves                                       | 16    | 2,980,550   |   | 2,601,864   |   |
| <b>Total equity</b>                                            |       | 3,216,793   |   | 2,843,925   |   |

The directors of the company have elected not to include a copy of the profit and loss account 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.

The financial statements were approved by the board of directors and authorised for issue on 10 September 2018 and are signed on its behalf by:

S K Jones  
Director

Company Registration No. 02075421

# **PRV ENGINEERING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

---

### **1 Accounting policies**

#### **Company information**

PRV Engineering Limited is a private company limited by shares incorporated in England and Wales. The registered office is Pegasus House, Polo Grounds, New Inn, Pontypool, NP4 0TW.

#### **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, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **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.

##### **(1) Engineering Product Turnover**

The revenue derived from the sale of manufactured engineering products is recognised on despatch of the goods to the customer.

##### **(2) Fabrication Services Turnover**

The revenue derived from fabrication services is recognised to reflect the stage of completion of work carried out.

#### **1.3 Intangible fixed assets - goodwill**

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### **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.

# PRV ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 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:

|                         |                             |
|-------------------------|-----------------------------|
| Long Leasehold Property | Straight line over 50 years |
| Leasehold improvements  | Straight line over 50 years |
| Plant and machinery     | 10% Straight line           |
| Office equipment        | 15% Straight line           |
| Motor vehicles          | 25% Straight line           |

#### 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### 1.6 Stocks

Stocks 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 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 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 balance sheet 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.

# PRV ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

---

### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, 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**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including 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. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

### 1.9 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.

### 1.10 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 profit and loss account 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.

# PRV ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

---

### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.11 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.

#### **1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.13 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### **1.14 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

# PRV ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

---

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements.

### 3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 50 (2016 - 56).

### 4 Intangible fixed assets

|                                        | <b>Goodwill</b> |
|----------------------------------------|-----------------|
|                                        | <b>£</b>        |
| <b>Cost</b>                            |                 |
| At 1 January 2017 and 31 December 2017 | 128,070         |
|                                        | <hr/>           |
| <b>Amortisation and impairment</b>     |                 |
| At 1 January 2017 and 31 December 2017 | 128,070         |
|                                        | <hr/>           |
| <b>Carrying amount</b>                 |                 |
| At 31 December 2017                    | -               |
|                                        | <hr/>           |
| At 31 December 2016                    | -               |
|                                        | <hr/>           |

# PRV ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 5 Tangible fixed assets

|                                    | Long<br>Leasehold<br>Property | Leasehold<br>improvements | Plant and<br>machinery | Office<br>equipment | Motor<br>vehicles | Total     |
|------------------------------------|-------------------------------|---------------------------|------------------------|---------------------|-------------------|-----------|
|                                    | £                             | £                         | £                      | £                   | £                 | £         |
| <b>Cost or valuation</b>           |                               |                           |                        |                     |                   |           |
| At 1 January 2017                  | 840,000                       | -                         | 2,679,482              | 117,545             | 123,375           | 3,760,402 |
| Additions                          | -                             | 117,289                   | 381,292                | 3,250               | -                 | 501,831   |
| At 31 December 2017                | 840,000                       | 117,289                   | 3,060,774              | 120,795             | 123,375           | 4,262,233 |
| <b>Depreciation and impairment</b> |                               |                           |                        |                     |                   |           |
| At 1 January 2017                  | 50,400                        | -                         | 1,532,498              | 90,338              | 85,301            | 1,758,537 |
| Depreciation charged in the year   | 16,800                        | -                         | 206,442                | 7,789               | 22,631            | 253,662   |
| At 31 December 2017                | 67,200                        | -                         | 1,738,940              | 98,127              | 107,932           | 2,012,199 |
| <b>Carrying amount</b>             |                               |                           |                        |                     |                   |           |
| At 31 December 2017                | 772,800                       | 117,289                   | 1,321,834              | 22,668              | 15,443            | 2,250,034 |
| At 31 December 2016                | 789,600                       | -                         | 1,146,984              | 27,207              | 38,074            | 2,001,865 |

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

|                                                              | 2017<br>£        | 2016<br>£      |
|--------------------------------------------------------------|------------------|----------------|
| Plant and machinery                                          | 1,086,792        | 875,352        |
| Motor vehicles                                               | 9,477            | 28,434         |
|                                                              | <u>1,096,269</u> | <u>903,786</u> |
| Depreciation charge for the year in respect of leased assets | <u>159,670</u>   | <u>335,024</u> |

Land and buildings with a carrying amount of £772,800 were revalued at 14 April 2014 by Hutchings and Thomas Chartered Surveyors for the Company's Bankers HSBC. The valuation conforms to international Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

# PRV ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 5 Tangible fixed assets (Continued)

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

|                          | 2017<br>£      | 2016<br>£      |
|--------------------------|----------------|----------------|
| Cost                     | 549,087        | 549,087        |
| Accumulated depreciation | (114,779)      | (103,797)      |
| Carrying value           | <u>434,308</u> | <u>445,290</u> |

Cost represents the cost of the leasehold property together with additional capitalised cost of the building extension works which were completed in the year ending 31 December 2013.

#### 6 Stocks

|        | 2017<br>£      | 2016<br>£      |
|--------|----------------|----------------|
| Stocks | <u>390,055</u> | <u>347,888</u> |

Stocks are recorded after provisions for impairment of £Nil (2016: Nil).

#### 7 Debtors

|                                                      | 2017<br>£        | 2016<br>£        |
|------------------------------------------------------|------------------|------------------|
| <b>Amounts falling due within one year:</b>          |                  |                  |
| Trade debtors                                        | 1,298,985        | 1,072,513        |
| Corporation tax recoverable                          | 50,000           | 50,000           |
| Other debtors                                        | 1,394,556        | 1,394,520        |
| Prepayments and accrued income                       | 28,048           | 43,120           |
|                                                      | <u>2,771,589</u> | <u>2,560,153</u> |
| <b>Amounts falling due after more than one year:</b> |                  |                  |
| Other debtors                                        | <u>143,528</u>   | <u>162,099</u>   |
| <b>Total debtors</b>                                 | <u>2,915,117</u> | <u>2,722,252</u> |

Trade debtors are stated after provisions for impairment of £5,000 (2016: £5,000).

# PRV ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 8 Creditors: amounts falling due within one year

|                                    | Notes | 2017<br>£        | 2016<br>£        |
|------------------------------------|-------|------------------|------------------|
| Bank loans and overdrafts          |       | 248,893          | 448,987          |
| Obligations under finance leases   | 10    | 201,984          | 155,902          |
| Other borrowings                   |       | 64,671           | 64,671           |
| Trade creditors                    |       | 573,755          | 301,471          |
| Corporation tax                    |       | 70,895           | 122,573          |
| Other taxation and social security |       | 105,341          | 130,797          |
| Government grants                  | 13    | 14,839           | -                |
| Other creditors                    |       | 479              | 153              |
| Accruals and deferred income       |       | 47,897           | 43,027           |
|                                    |       | <u>1,328,754</u> | <u>1,267,581</u> |

Bank loans and overdrafts are inclusive of an HSBC Invoice Discounting Facility of £152,426 (2016: £327,467).

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

|                                  | Notes | 2017<br>£        | 2016<br>£        |
|----------------------------------|-------|------------------|------------------|
| Bank loans and overdrafts        |       | 473,727          | 383,307          |
| Obligations under finance leases | 10    | 420,276          | 342,121          |
| Other creditors                  |       | 272,376          | 288,595          |
|                                  |       | <u>1,166,379</u> | <u>1,014,023</u> |

### 10 Finance lease obligations

|                                                         | 2017<br>£      | 2016<br>£      |
|---------------------------------------------------------|----------------|----------------|
| Future minimum lease payments due under finance leases: |                |                |
| Within one year                                         | 201,984        | 155,902        |
| In over one year                                        | 420,276        | 342,121        |
|                                                         | <u>622,260</u> | <u>498,023</u> |

### 11 Provisions for liabilities

|                          | 2017<br>£      | 2016<br>£      |
|--------------------------|----------------|----------------|
| Deferred tax liabilities | 116,058        | 140,367        |
|                          | <u>116,058</u> | <u>140,367</u> |

# PRV ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

---

### 12 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

|                                | Liabilities<br>2017<br>£ | Liabilities<br>2016<br>£ |
|--------------------------------|--------------------------|--------------------------|
| <b>Balances:</b>               |                          |                          |
| Accelerated capital allowances | 94,701                   | 102,337                  |
| Revaluations                   | 21,357                   | 38,030                   |
|                                | <u>116,058</u>           | <u>140,367</u>           |

# PRV ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 14 Called up share capital

|                                                                          | 2017<br>£ | 2016<br>£ |
|--------------------------------------------------------------------------|-----------|-----------|
| Ordinary share capital<br>Issued and fully paid<br>2 Ordinary of £1 each | 2         | 2         |
|                                                                          | <u>2</u>  | <u>2</u>  |

### 15 Revaluation reserve

|                                     | 2017<br>£      | 2016<br>£      |
|-------------------------------------|----------------|----------------|
| At beginning of year                | 242,059        | 247,877        |
| Transfer to Profit & Loss (Note 15) | (5,818)        | (5,818)        |
| At end of year                      | <u>236,241</u> | <u>242,059</u> |

### 16 Profit and loss reserves

|                                         | 2017<br>£        | 2016<br>£        |
|-----------------------------------------|------------------|------------------|
| At the beginning of the year            | 2,601,864        | 2,194,425        |
| Profit for the year                     | 465,881          | 504,053          |
| Dividends declared and paid in the year | (93,013)         | (102,432)        |
| Transfer from revaluation reserve       | 5,818            | 5,818            |
| At the end of the year                  | <u>2,980,550</u> | <u>2,601,864</u> |

### 17 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 auditor's report was unqualified.

The senior statutory auditor was Carol Warburton.  
The auditor was Baldwins Audit Services.

# PRV ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 18 Secured Debts

Amounts due under hire purchase contracts are secured by the underlying assets.

Bank loans are secured by fixed and floating charges over all the assets and undertakings of PRV Engineering Limited, a charge over contract monies, a debenture and a cross company guarantee from Transit Engineering Limited.

The company utilises an invoice discounting facility which is secured by a fixed charge over the approved debt of the company and a floating charge over the assets of the company.

#### 19 Operating lease commitments

##### Lessee

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

|  | 2017<br>£ | 2016<br>£ |
|--|-----------|-----------|
|  | 50,452    | 61,250    |

#### 20 Capital commitments

Amounts contracted for but not provided in the financial statements:

|                                      | 2017<br>£ | 2016<br>£ |
|--------------------------------------|-----------|-----------|
| Acquisition of tangible fixed assets | -         | 292,152   |

#### 21 Directors' transactions

The following amounts were owed to the company by a director at 31 December 2017:

Interest is charged on the loan from the company at a rate of 3% per annum. Of the £160,075 outstanding to the company to the company at the year end £143,528 is due in more than one year as shown in note 9 to the financial statements.

As at 31 December 2017, the company owed S K Jones £64,671. Interest is charged on the loan to the company at a rate of 11.75% per annum. The loan is repayable on the receipt of 367 days notice from the lender.

|             | %<br>Rate | Opening<br>balance<br>£ | Interest<br>charged<br>£ | Amounts<br>repaid<br>£ | Closing<br>balance<br>£ |
|-------------|-----------|-------------------------|--------------------------|------------------------|-------------------------|
| S K Jones - | 11.75     | 64,471                  | -                        | -                      | 64,471                  |
|             |           | 64,471                  | -                        | -                      | 64,471                  |

# PRV ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 21 Directors' transactions

(Continued)

|             | %<br>Rate | Opening<br>balance<br>£ | Interest<br>charged<br>£ | Amounts<br>repaid<br>£ | Closing<br>balance<br>£ |
|-------------|-----------|-------------------------|--------------------------|------------------------|-------------------------|
| S K Jones - | 3.00      | 181,711                 | 2,364                    | (24,000)               | 160,075                 |
|             |           | <u>181,711</u>          | <u>2,364</u>             | <u>(24,000)</u>        | <u>160,075</u>          |

# **PRV ENGINEERING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2017***

---

### **22 Related party transactions**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

### **23 Contingent Liabilities**

The company guarantees the bank facility of Transit Engineering Limited (its holding company) by means of an unlimited cross guarantee.

### **24 Ultimate Controlling Party**

The ultimate controlling party is S K Jones who owns 70% of the issued share capital of Transit Engineering Limited at 31 December 2017.

Transit Engineering Limited is the ultimate parent company owning the entire £1 ordinary share capital of the company. The registered office address of Transit Engineering Limited is Pegasus House, Polo Grounds, New Inn, Pontypool, NP4 0TW.