Company Registration No. 03221921 (England and Wales)

Holemasters Demtech Limited

Annual Report and Financial Statements

For the Year Ended 31 October 2016

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HOLEMASTERS DEMTECH LIMITED

COMPANY INFORMATION

Director	Mr D Bailie
Company number	03221921
Registered office	Unit 9 Watermill Business Centre Edison Road Enfield Middlesex EN3 7XF
Auditor	Montpelier Audit Limited Statutory Auditor Charter House Pittman Way Fulwood Preston Lancashire PR2 9ZD
Bankers	National Westminster Bank Plc Market Place Garstang Preston Lancashire PR3 1XD

HOLEMASTERS DEMTECH LIMITED

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HOLEMASTERS DEMTECH LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Property, plant and equipment	4		926,394		901,513
Investments	5		3		3
			926,397		901,516
Current assets					
Trade and other receivables	6	1,904,710		1,872,547	
Cash at bank and in hand		926,311		2,277,045	
		2,831,021		4,149,592	
Current liabilities	7	(1,730,364)		(1,679,413)	
Net current assets			1,100,657		2,470,179
Total assets less current liabilities			2,027,054		3,371,695
Non-current liabilities	8		(253,132)		(236,056)
Provisions for liabilities			(45,202)		(63,514)
Net assets			1,728,720		3,072,125
Equity					
Called up share capital	9		9,000		9,000
Capital redemption reserve			1,000		1,000
Retained earnings			1,718,720		3,062,125
Total equity			1,728,720		3,072,125

The director of the company has 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 and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and signed by the director and authorised for issue on 16.6.2017.

Mr D Bailie
Director

Company Registration No. 03221921

1 Accounting policies

Company information

Holemasters Demtech Limited is a private company limited by shares, domiciled and incorporated in England and Wales. The registered office is Unit 9 Watermill Business Centre, Edison Road, Enfield, Middlesex, United Kingdom, EN3 7XF. The company is tax resident in the United Kingdom.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 section 1A - small enitites, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

These financial statements for the year ended 31 October 2016 are the first financial statements that comply with FRS102 Section 1A small entities. The date of transition is 1 November 2014.

The transition to FRS 102 Section 1A small entities, has resulted in no changes in accounting policies to those used previously.

The financial statements are prepared in sterling, which is the functional currency of the company.

The financial statements have been prepared under the historical cost convention, and where applicable, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Revenue

Revenue 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 contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.3 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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:

Plant and machinery	25-100% Straight Line
Fixtures, fittings & equipment	40% Reducing Balance
Motor vehicles	40% 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.

1.4 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1 Accounting policies **(Continued)**

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.5 Impairment of non-current 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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents 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.

1.7 *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.

Basic financial assets

Basic financial assets, which include trade and other receivables 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.

1 Accounting policies **(Continued)**

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 trade and other payables, 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 payables 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 payables 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 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 income statement, 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 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 non-current 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 Retirement benefits

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

1.12 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 statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 113 (2015 - 117).

3 Intangible fixed assets

	Goodwill £
Cost	
At 1 November 2015 and 31 October 2016	185,000
Amortisation and impairment	
At 1 November 2015 and 31 October 2016	185,000
Carrying amount	
At 31 October 2016	-
At 31 October 2015	-

4 Property, plant and equipment

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 November 2015	2,501,152	130,419	1,299,609	3,931,180
Additions	261,585	2,259	249,201	513,045
Disposals	(1,665,353)	(103,790)	(430,034)	(2,199,177)
At 31 October 2016	1,097,384	28,888	1,118,776	2,245,048
Depreciation and impairment				
At 1 November 2015	2,038,775	118,832	872,060	3,029,667
Depreciation charged in the year	252,176	11,862	206,393	470,431
Eliminated in respect of disposals	(1,662,600)	(103,779)	(415,065)	(2,181,444)
At 31 October 2016	628,351	26,915	663,388	1,318,654
Carrying amount				
At 31 October 2016	469,033	1,973	455,388	926,394
At 31 October 2015	462,377	11,587	427,549	901,513

Motor Vehicles with a carrying amount of £425,687 (2015 - £357,392) have been pledged to secure borrowings of the company. The company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

5 Fixed asset investments

	2016	2015
	£	£
Investments	3	3

Movements in non-current investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 November 2015 & 31 October 2016	3
Carrying amount	
At 31 October 2016	3
At 31 October 2015	3

6 Trade and other receivables

Amounts falling due within one year:	2016 £	2015 £
Trade receivables	1,555,689	1,729,591
Gross amounts due from contract customers	233,760	60,300
Other receivables	9,783	6,703
Prepayments and accrued income	105,478	75,953
	1,904,710	1,872,547

7 Current liabilities

	2016 £	2015 £
Obligations under finance leases	191,053	181,100
Trade payables	582,301	548,118
Amounts due to group undertakings	3	3
Corporation tax	125,745	109,230
Other taxation and social security	327,307	389,000
Other payables	237,019	185,618
Accruals and deferred income	266,936	266,344
	1,730,364	1,679,413

The £191,053 obligations under finance leases in liabilities due within one year (2015: £181,100) is secured over the assets the agreement relates to.

8 Non-current liabilities

	2016 £	2015 £
Obligations under finance leases	253,132	236,056

The £253,132 obligations under finance leases in liabilities due over one year (2015: £236,056) is secured over the assets the agreement relates to.

9 Called up share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
9,000 Ordinary Shares of £1 each	9,000	9,000

10 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 Andrew McDonald MA ACA.
The auditor was Montpelier Audit Limited.

11 Operating lease commitments

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

	2016	2015
	£	£
	331,586	248,486

12 Related party transactions

The company is a wholly owned subsidiary of the ultimate parent company Holemasters Holdings Limited, registered in the UK. The group is small and therefore no consolidated accounts have been prepared.