

CONTECHS TECHNICAL RESOURCING LIMITED

Financial Statements

31 December 2015

SATURDAY



A5CS13KX

A15

06/08/2016

#221

COMPANIES HOUSE

CONTECHS TECHNICAL RESOURCING LIMITED

Financial Statements

Year ended 31 December 2015

CONTENTS	PAGE
Officers and professional advisers	1
Strategic report	2
Directors' report	3
Independent auditor's report to the shareholders	5
Statement of income and retained earnings	6
Statement of financial position	7
Notes to the financial statements	8

CONTECHS TECHNICAL RESOURCING LIMITED

Officers and Professional Advisers

THE BOARD OF DIRECTORS

P R Jarvis
I K Brookes
R S Wakefield

COMPANY SECRETARY

I K Brookes

REGISTERED OFFICE

2 Sable Court
Sylvan Way
Southfields Business Park
Basildon
Essex
SS15 6SR

AUDITOR

Menzies LLP
Chartered Accountants & statutory auditor
Lynton House
7 - 12 Tavistock Square
London
WC1H 9LT

CONTECHS TECHNICAL RESOURCING LIMITED

Strategic Report

Year ended 31 December 2015

PRINCIPLE ACTIVITIES

The principal activity of the company during the year was that of engineering design consultants in the automotive industry.

BUSINESS REVIEW

Turnover increased by 13.3% in the current year due to the economic market strength in the period and a stable customer base. The margins have remained consistent at 5.8% compared to 5.6% in the prior period. The company made a profit before tax of £243,953 compared to a profit of £237,063 in the prior period.

Market Overview

The market for automotive design and engineering services has remained buoyant in the period and this is expected to continue for the foreseeable future. The company strives for incremental growth in all aspects of the business based upon the existing range of services. Downward pressure on margin remains due to the competitiveness of the industry.

Sustainable Business

The company has attained ISO 140001 for a part of its operations and is in the process of implementing this quality standard across the business.

KEY PERFORMANCE INDICATORS

The company monitors its performance against strategic objectives by means of key performance indicators. The main KPI's it uses are turnover, gross profit, operating profit and net assets.

	2015	Unaudited 2014
	£	£
Turnover	17,354,510	15,323,646
Gross profit	1,013,763	850,814
Operating profit	243,953	237,063
Net assets	1,046,024	809,571

This report was approved by the board of directors on 3 August 2016 and signed on behalf of the board by:



I K Brookes

Director

Registered office:
2 Sable Court
Sylvan Way
Southfields Business Park
Basildon
Essex
SS15 6SR

CONTECHS TECHNICAL RESOURCING LIMITED

Directors' Report

Year ended 31 December 2015

The directors present their report and the financial statements of the company for the year ended 31 December 2015.

DIRECTORS

The directors who served the company during the year were as follows:

P R Jarvis
I K Brookes
R S Wakefield

DIVIDENDS

The directors do not recommend the payment of a dividend.

FINANCIAL INSTRUMENTS

The principal financial instruments of the company comprise bank balances, bank and other borrowings, trade debtors and trade creditors. The main purpose is to raise funds for the company's operations.

Credit risk

The company's maximum exposure to credit risk in relation to financial assets is represented by bank balances and cash, trade and other receivables. The group manages the exposure by taking credit insurance, where available.

Liquidity risk

The company's policy on liquidity risk is to ensure that sufficient cash is available for on-going operations. The company's borrowing facilities are principally provided by bank overdrafts. These are regularly reviewed to ensure that the company has sufficient resources available.

RESEARCH AND DEVELOPMENT

To be provided by client

GOING CONCERN

The directors have a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

DISCLOSURE OF INFORMATION IN THE STRATEGIC REPORT

The company has chosen in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the company's Strategic Report the Company's Strategic Report Information Required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the strategic report, 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 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 judgments 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.

CONTECHS TECHNICAL RESOURCING LIMITED

Directors' Report (*continued*)

Year ended 31 December 2015

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.

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 3 August 2016 and signed on behalf of the board by:



I K Brookes

Director

Registered office:
2 Sable Court
Sylvan Way
Southfields Business Park
Basildon
Essex
SS15 6SR

CONTECHS TECHNICAL RESOURCING LIMITED

Independent Auditor's Report to the Shareholders of Contechs Technical Resourcing Limited

Year ended 31 December 2015

We have audited the financial statements of Contechs Technical Resourcing Limited for the year ended 31 December 2015 which comprise the statement of income and retained earnings, statement of financial position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 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 prepared in accordance with the requirements of the Companies Act 2006.

EMPHASIS OF MATTER

The corresponding figures for the year ending 31 December 2014 are unaudited.

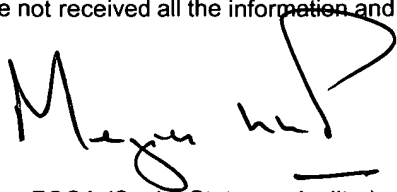
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

The corresponding figures for the year ending 31 December 2014 are unaudited.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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.



Richard Watson FCCA (Senior Statutory Auditor)

For and on behalf of
Menzie's LLP
Chartered Accountants & statutory auditor
Lynton House
7 - 12 Tavistock Square
London
WC1H 9LT

3 August 2016

CONTECHS TECHNICAL RESOURCING LIMITED

Statement of Income and Retained Earnings

Year ended 31 December 2015

	Note	2015 £	Unaudited 2014 £
TURNOVER	3	17,354,510	15,323,646
Cost of sales		<u>16,340,747</u>	<u>14,472,832</u>
GROSS PROFIT		1,013,763	850,814
Administrative expenses		<u>769,810</u>	<u>613,751</u>
OPERATING PROFIT	4	243,953	237,063
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>243,953</u>	<u>237,063</u>
Taxation on ordinary activities	7	<u>7,500</u>	<u>47,220</u>
PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		<u>236,453</u>	<u>189,843</u>
RETAINED EARNINGS AT THE START OF THE YEAR		808,571	618,728
RETAINED EARNINGS AT THE END OF THE YEAR		<u>1,045,024</u>	<u>808,571</u>

All the activities of the company are from continuing operations.

The notes on pages 8 to 12 form part of these financial statements.

CONTECHS TECHNICAL RESOURCING LIMITED

Statement of Financial Position

31 December 2015

	Note	2015 £	£	Unaudited 2014 £
FIXED ASSETS				
Investments	8		142,229	138,872
CURRENT ASSETS				
Debtors	9	3,067,979		1,946,301
Cash at bank and in hand		764,515		1,398,587
		3,832,494		3,344,888
CREDITORS: amounts falling due within one year	10	2,928,699		2,674,189
NET CURRENT ASSETS			903,795	670,699
TOTAL ASSETS LESS CURRENT LIABILITIES			1,046,024	809,571
NET ASSETS			1,046,024	809,571
CAPITAL AND RESERVES				
Called up share capital	12		1,000	1,000
Profit and loss account	13		1,045,024	808,571
SHAREHOLDERS FUNDS			1,046,024	809,571

These financial statements were approved by the board of directors and authorised for issue on 3 August 2016, and are signed on behalf of the board by:



I K Brookes
Director

Company registration number: 05938708

The notes on pages 8 to 12 form part of these financial statements.

CONTECHS TECHNICAL RESOURCING LIMITED

Notes to the Financial Statements

Year ended 31 December 2015

1. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

Contechs Technical Resourcing Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The principal activities of the company and the nature of its operations are set out in the strategic report on page 2.

2. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis. The prior year figures are unaudited because the company took advantage of subsidiary audit exemptions in the prior year.

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

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 17.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Contechs Holdings Limited which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Revenue recognition

In the recognition of revenue in accordance with the accounting policy the management consider the detailed criteria for the revenue recognition from the provision of services and, in particular, whether the income and expenditure for long term contracts is recognised so that it reflects the partial performance of the contractual obligations and the value of the work performed.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The directors do not consider them to be any key assumptions or other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Revenue recognition

Turnover represents net invoiced sales of goods and services, excluding value added tax and trade discounts.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

CONTECHS TECHNICAL RESOURCING LIMITED

Notes to the Financial Statements (continued)

Year ended 31 December 2015

2. ACCOUNTING POLICIES (continued)

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

3. TURNOVER

Turnover arises from:

	2015 £	Unaudited 2014 £
Rendering of services	17,354,510	15,323,646

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

4. OPERATING PROFIT

Operating profit or loss is stated after charging:

	2015 £	Unaudited 2014 £
Defined contribution plans expense	3,858	4,338

CONTECHS TECHNICAL RESOURCING LIMITED

Notes to the Financial Statements (continued)

Year ended 31 December 2015

5. AUDITOR'S REMUNERATION

	2015 £	Unaudited 2014 £
Fees payable for the audit of the financial statements	<u>7,500</u>	<u>—</u>
Fees payable to the company's auditor and its associates for other services:		
Taxation compliance services	1,250	—
Other non-audit services	<u>2,000</u>	<u>—</u>
	<u>3,250</u>	<u>—</u>

6. PARTICULARS OF EMPLOYEES

The average number of persons employed by the company during the year, including the directors, amounted to:

	2015 No.	Unaudited 2014 No.
Number of production and administrative staff	<u>38</u>	<u>28</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2015 £	Unaudited 2014 £
Wages and salaries	1,260,414	1,007,483
Social security costs	135,476	113,015
Other pension costs	3,858	4,338
	<u>1,399,748</u>	<u>1,124,836</u>

7. TAXATION ON ORDINARY ACTIVITIES

Major components of tax expense

	2015 £	Unaudited 2014 £
Current tax:		
UK current tax expense	7,500	50,952
Adjustments in respect of prior periods	—	(3,732)
Total current tax	<u>7,500</u>	<u>47,220</u>
Taxation on ordinary activities	<u>7,500</u>	<u>47,220</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2014: lower than) the standard rate of corporation tax in the UK of 20.25% (2014: 21.50%).

	2015 £	Unaudited 2014 £
Profit on ordinary activities before taxation	243,953	237,063
Profit on ordinary activities by rate of tax	49,400	50,969
Adjustment to tax charge in respect of prior periods	—	(3,732)
Rounding on tax charge	(540)	(17)
Group relief	<u>(41,360)</u>	<u>—</u>
Tax on profit on ordinary activities	<u>7,500</u>	<u>47,220</u>

The UK corporation tax rates have fallen from 21.50% to 20.25% in the current period as a result of reductions in the UK main rate of corporation tax reducing to 20% during the year ended 31 December 2015.

CONTECHS TECHNICAL RESOURCING LIMITED

Notes to the Financial Statements (continued)

Year ended 31 December 2015

8. INVESTMENTS

	Unlisted investments £
Cost	
At 1 January 2015	138,872
Additions	3,357
At 31 December 2015	142,229
Impairment	
At 1 Jan 2015 and 31 Dec 2015	-
Carrying amount	
At 31 December 2015	142,229
At 31 December 2014	138,872

9. DEBTORS

	2015 £	Unaudited 2014 £
Trade debtors	57,956	48,157
Amounts owed by group undertakings	1,777,977	1,073,957
Prepayments and accrued income	1,232,046	824,187
	3,067,979	1,946,301

10. CREDITORS: amounts falling due within one year

	2015 £	Unaudited 2014 £
Trade creditors	2,215,971	1,954,065
Amounts owed to group undertakings	9,750	43,000
Accruals and deferred income	349,761	322,899
Corporation tax	7,500	50,952
Social security and other taxes	268,002	239,619
Other creditors	77,715	63,654
	2,928,699	2,674,189

Included within other creditors is an amount of £23,185 (2014: £23,185) of loans secured by way of a deed of security, that have been reallocated from other creditors due in more than one year as this better reflects the underlying nature of the transaction.

11. EMPLOYEE BENEFITS

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £3,858 (2014: £4,338).

12. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2015		Unaudited 2014	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

The shares have full voting, dividend and capital distribution rights. The shares do not confer any rights to redemption.

CONTECHS TECHNICAL RESOURCING LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 December 2015

13. RESERVES

Profit and loss account - This reserve records retained earnings and accumulated losses.

14. CONTINGENCIES

The company has entered into an unlimited multilateral guarantee with HSBC with the other group companies to secure the invoice discounting facility, bank loans and overdrafts. The liabilities of the other group companies secure over the assets of the company total £1,900,024 (2014: £976,799).

15. RELATED PARTY TRANSACTIONS

The company has taken advantage of the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

16. CONTROLLING PARTY

The ultimate controlling party is Contechs Holdings Limited, a company registered in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by Contechs Holdings Limited. The group accounts are available from 2 Sable Court, Sylvan Way, Southfields Business Park, Basildon, Essex. SS15 6SR.

There is no one ultimate controlling party.

17. TRANSITION TO FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2014.

No transitional adjustments were required in equity or profit or loss for the year.