

Company registration number 05938708

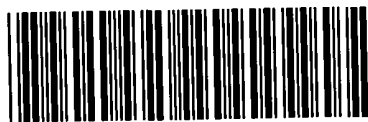
**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED

31 DECEMBER 2016

**CONTECHS TECHNICAL
RESOURCING LIMITED**

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CONTECHS TECHNICAL RESOURCING LIMITED

COMPANY INFORMATION

Directors	P R Jarvis I K Brookes R S Wakefield
Company secretary	I K Brookes
Registered number	05938708
Registered office	2 Sable Court Sylvan Way Southfield Business Park Basildon Essex SS15 6SR
Independent auditor	Menzies LLP Chartered Accountants & Senior Statutory Auditor Lynton House 7-12 Tavistock Square London WC1H 9LT

CONTECHS TECHNICAL RESOURCING LIMITED

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CONTECHS TECHNICAL RESOURCING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

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 8% 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%. The company made a profit before tax of £317,876 compared to a profit of £243,953 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.

Financial key performance indicators

The company monitors its performance against strategic objectives by means of key performance indicators. The main KPIs it uses are turnover, gross profit, operating profit and net assets. Turnover has increased from £17,354,510 to £18,704,036 in the current year with gross profit increasing from £1,013,763 to £1,075,923. Operating profit increased from £243,953 to £317,876. Net assets have increased from £1,046,024 to £1,363,900.

This report was approved by the board on 21 JULY 2017 and signed on its behalf by:


I K Brookes
Director

CONTECHS TECHNICAL RESOURCING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The Directors present their report and the financial statements for the year ended 31 December 2016.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements 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.

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 to 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.

Directors

The Directors who served during the year were:

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

Liquidity risk

The company's policy on liquidity risk is to ensure that sufficient cash is available for ongoing operations. The company's borrowing facilities are principally provided by bank overdrafts. These are regularly reviewed to ensure that the available facilities exceed forecast gross debt levels.

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.

CONTECHS TECHNICAL RESOURCING LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

Research and development activities

The company is a leading provider of specialist design and engineering services to original equipment manufacturers and suppliers in the automotive sector. The company has experience in the automotive industry across a diverse range of disciplines, including design concept origination as well as more specialist areas such as body engineering and structural design, electrical engineering, homologation design verification and dimensional management. This experience enables the company to deliver innovative solutions to clients that meet the industry's fast-changing requirements.

Matters covered 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. 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.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Menzies LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 21 JULY 2017 and signed on its behalf.



I K Brookes
Director

CONTECHS TECHNICAL RESOURCING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CONTECHS TECHNICAL RESOURCING LIMITED

We have audited the financial statements of Contechs Technical Resourcing Limited for the year ended 31 December 2016, set out on pages 6 to 12. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, 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 members 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 members 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 on page 2, 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 Financial Reporting Council'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 2016 and of its profit or loss 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

CONTECHS TECHNICAL RESOURCING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CONTECHS TECHNICAL RESOURCING LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



RICHARD WATSON FCCA (Senior Statutory Auditor)

for and on behalf of
Menzies LLP

Chartered Accountants
Senior Statutory Auditor

Lynton House
7-12 Tavistock Square
London

WC1H 9LT

Date: 21/07/2017

CONTECHS TECHNICAL RESOURCING LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Turnover		18,704,036	17,354,510
Cost of sales		(17,628,113)	(16,340,747)
Gross profit		1,075,923	1,013,763
Administrative expenses		(758,047)	(769,810)
Operating profit		317,876	243,953
Tax on profit		9,048	(7,500)
Profit after tax		326,924	236,453
Retained earnings at the beginning of the year		1,045,024	808,571
		1,045,024	808,571
Profit for the year		326,924	236,453
Retained earnings at the end of the year		1,371,948	1,045,024

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

CONTECHS TECHNICAL RESOURCING LIMITED

REGISTERED NUMBER: 05938708

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Investments	5	148,086	142,229
		<u>148,086</u>	<u>142,229</u>
Current assets			
Debtors: amounts falling due within one year	6	2,595,752	3,067,979
Bank and cash balances		1,525,120	764,515
		<u>4,120,872</u>	<u>3,832,494</u>
Creditors: amounts falling due within one year	7	(2,896,010)	(2,928,699)
Net current assets		<u>1,224,862</u>	<u>903,795</u>
Total assets less current liabilities		<u>1,372,948</u>	<u>1,046,024</u>
Net assets		<u>1,372,948</u>	<u>1,046,024</u>
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss account		1,371,948	1,045,024
		<u>1,372,948</u>	<u>1,046,024</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21/07/2017



I K Brookes

Director

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

CONTECHS TECHNICAL RESOURCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

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 private company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on the company information page. The principal activities of the company and the nature of its operations are set out in the strategic report on page 1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced 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.

2.3 Revenue

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.

2.4 Investments

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

2.5 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.

CONTECHS TECHNICAL RESOURCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.6 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.

2.7 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 they 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.

2.8 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.

2.9 Debtors

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

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Financial instruments

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

CONTECHS TECHNICAL RESOURCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.11 Financial instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

2.14 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

CONTECHS TECHNICAL RESOURCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

3. Auditor's remuneration

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	7,500	7,500
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	1,250	1,250
Other non-audit services	2,000	2,000
	3,250	3,250

4. Employees

The average monthly number of employees, including the Directors, during the year was as follows:

	2016 No.	2015 No.
Number of production and administrative staff	41	38

5. Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 January 2016	142,229
Additions	5,857
At 31 December 2016	148,086
Net book value	
At 31 December 2016	148,086
At 31 December 2015	142,229

CONTECHS TECHNICAL RESOURCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

6. Debtors

	2016 £	2015 £
Trade debtors	64,978	57,956
Amounts owed by group undertakings	1,618,622	1,777,977
Prepayments and accrued income	912,152	1,232,046
	<u>2,595,752</u>	<u>3,067,979</u>

7. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	2,086,926	2,215,971
Amounts owed to group undertakings	-	9,750
Corporation tax	5,347	7,500
Other taxation and social security	318,439	268,002
Other creditors	27,573	77,715
Accruals and deferred income	457,725	349,761
	<u>2,896,010</u>	<u>2,928,699</u>

Included within other creditors is an amount of £23,185 (2015: £23,185) of secured loans.

8. 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.

9. 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 secured over the assets of the company total £2,059,491 (2015: £1,900,024).

10. 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.