
DAWSON SHANAHAN (WALES) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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COMPANIES HOUSE

DAWSON SHANAHAN (WALES) LIMITED

COMPANY INFORMATION

Directors

D Dawson
M Jennings
J Kiernan
L Reeves
D Howell

Company secretary

L Reeves

Registered number

06838607

Registered office

Henfaes Lane
Welshpool
Powys
SY21 7BE

Independent auditors

Barnes Roffe LLP
Chartered Accountants & Statutory Auditors
3 Brook Business Centre
Cowley Mill Road
Uxbridge
Middlesex
UB8 2FX

DAWSON SHANAHAN (WALES) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

Introduction

The directors present the Strategic report and financial statements for the year ended 31 December 2016.

Business review and future developments

The directors are pleased to report that sales in the year achieved a gross profit of £1,693,891 (2015 - £1,735,083).

Sales were disappointing as a result of changes in the company's main area of activity; however, the company has gained customers in new markets and the directors are confident this will result in improved performance in future periods.

Principal risks and uncertainties

The main risks arising for the company are as following -

Credit risk

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provisions are made for doubtful debts where necessary.

Foreign exchange risk

The company is exposed to fair value foreign exchange risk on its trade debtor and creditor balances. The company seeks to reduce this risk by maintaining bank accounts in commonly used foreign currencies.

Financial instruments

The company uses financial instruments comprising of hire purchase contracts, together with various items such as trade debtors, retained cash and trade creditors that arise directly from its operations.

Financial key performance indicators

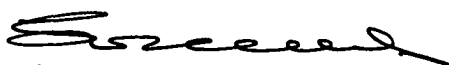
The directors monitor the progress of the company with reference to the following financial key performance indicators -

The company's gross profit margin was 49.27% (2015 - 51.4%).

The company's net profit margin was 17.93% (2015 - 16.3%).

The company had net assets of £3,505,000 (2015 - £3,179,540).

This report was approved by the board on 25 July 2017 and signed on its behalf.



L Reeves
Director

DAWSON SHANAHAN (WALES) 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 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.

Results and dividends

The profit for the year, after taxation, amounted to £616,460 (2015 - £549,382).

Directors

The directors who served during the year were:

D Dawson
M Jennings
J Kiernan
L Reeves
D Howell

Matters covered in the Strategic report

The consideration of future developments and financial instruments is noted in the Strategic report.

DAWSON SHANAHAN (WALES) LIMITED

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

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Auditors

The auditors, Barnes Roffe LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *25 July 2017* and signed on its behalf.



L. Reeves
Director

DAWSON SHANAHAN (WALES) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DAWSON SHANAHAN (WALES) LIMITED

We have audited the financial statements of Dawson Shanahan (Wales) Limited for the year ended 31 December 2016, set out on pages 6 to 27. 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 Auditors' 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 Auditors

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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.

DAWSON SHANAHAN (WALES) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DAWSON SHANAHAN (WALES)
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.



Mark Hancock (Senior statutory auditor)
for and on behalf of

Barnes Roffe LLP

Chartered Accountants & Statutory Auditors

3 Brook Business Centre

Cowley Mill Road

Uxbridge

Middlesex

UB8 2FX

Date: 25 July 2017

DAWSON SHANAHAN (WALES) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Turnover	4	3,437,928	3,376,714
Cost of sales		(1,744,037)	(1,641,631)
Gross profit		1,693,891	1,735,083
Administrative expenses		(1,163,154)	(1,285,450)
Other operating income	5	246,000	205,200
Operating profit	6	776,737	654,833
Interest receivable and similar income	10	95	51
Interest payable and similar charges	11	(8,014)	(6,181)
Profit before tax		768,818	648,703
Tax on profit	12	(152,358)	(99,321)
Profit for the year		616,460	549,382
Total comprehensive income for the year		616,460	549,382

The notes on pages 10 to 27 form part of these financial statements.

DAWSON SHANAHAN (WALES) LIMITED
REGISTERED NUMBER: 06838607

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

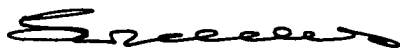
	Note	2016 £	2015 £
Tangible assets	14	1,266,276	1,491,636
Investments	15	600,000	-
Current assets			
Stocks	16	584,916	576,987
Debtors: amounts falling due within one year	17	2,280,220	2,323,710
Cash at bank and in hand	18	172,505	153,611
		<u>3,037,641</u>	<u>3,054,308</u>
Creditors: amounts falling due within one year	19	(978,268)	(1,025,041)
Net current assets		<u>2,059,373</u>	<u>2,029,267</u>
Total assets less current liabilities		<u>3,925,649</u>	<u>3,520,903</u>
Creditors: amounts falling due after more than one year	20	(266,549)	(177,063)
		<u>3,659,100</u>	<u>3,343,840</u>
Provisions for liabilities			
Deferred taxation	23	(154,100)	(164,300)
		<u>(154,100)</u>	<u>(164,300)</u>
Net assets		<u><u>3,505,000</u></u>	<u><u>3,179,540</u></u>
Capital and reserves			
Called up share capital	24	86	86
Profit and loss account	25	3,504,914	3,179,454
		<u><u>3,505,000</u></u>	<u><u>3,179,540</u></u>

DAWSON SHANAHAN (WALES) LIMITED
REGISTERED NUMBER: 06838607

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2016

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
25 July 2017



L Reeves
Director

The notes on pages 10 to 27 form part of these financial statements.

DAWSON SHANAHAN (WALES) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	86	3,179,454	3,179,540
Comprehensive income for the year			
Profit for the year	-	616,460	616,460
Total comprehensive income for the year	-	616,460	616,460
Dividends: Equity capital	-	(291,000)	(291,000)
Total transactions with owners	-	(291,000)	(291,000)
At 31 December 2016	86	3,504,914	3,505,000

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	86	2,875,352	2,875,438
Comprehensive income for the year			
Profit for the year	-	549,382	549,382
Total comprehensive income for the year	-	549,382	549,382
Dividends: Equity capital	-	(245,280)	(245,280)
Total transactions with owners	-	(245,280)	(245,280)
At 31 December 2015	86	3,179,454	3,179,540

The notes on pages 10 to 27 form part of these financial statements.

DAWSON SHANAHAN (WALES) LIMITED

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

1. General information

Dawson Shanhan (Wales) Limited is a company limited by shares, registered in England and Wales. The address of the registered office is Henfaes Lane, Welshpool, Powys, SY21 7BE.

The company's principal activity is that of general engineers.

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, and on the assumption that the company is a going concern.

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 (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 Cash flow

The company has taken exemption from producing a cashflow as it is included in the parent's consolidated financial statements.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

DAWSON SHANAHAN (WALES) LIMITED

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

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Plant & machinery	- 20% straight line
Motor vehicles	- 30% straight line
Fixtures & fittings	- 20% straight line
Computer equipment	- 33.33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each Statement of financial position date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the year. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each Statement of financial position date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of comprehensive income.

2.7 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.

2.8 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.

DAWSON SHANAHAN (WALES) LIMITED

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

2. Accounting policies (continued)

2.9 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 accounts receivable and payable, and loans from banks and other third parties.

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 payables or receivables, 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.

Financial assets that are measured at cost and amortised cost are assessed at each reporting date for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the Statement of financial position date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

2.10 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.

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

2. Accounting policies (continued)

2.11 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 year 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 that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.12 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.14 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

DAWSON SHANAHAN (WALES) LIMITED

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

2. Accounting policies (continued)

2.15 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 comprehensive income account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.16 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

DAWSON SHANAHAN (WALES) LIMITED

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

2. Accounting policies (continued)

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Statement of financial position date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Statement of financial position date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Statement of financial position date.

2.19 Research and development

Research and development expenditure is written off in the year in which it is incurred.

DAWSON SHANAHAN (WALES) LIMITED

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

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgments in applying the above accounting policies that have had the most significant effect on the amounts recognised in the financial statements:

1. Determine whether there are indicators of impairments of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected further financial performance of the assets.
2. Determine whether trade debtors are recoverable. Factors taken into consideration include credit insurance and expected recovery.
3. Determine whether there are indicators of impairment of the Company's stock. Factors taken into consideration in reaching such a decision, include the ageing of the unsold stock and expected future realisability of the stock.

4. Turnover

	2016 £	2015 £
General engineering	3,437,928	3,376,714
	<u>3,437,928</u>	<u>3,376,714</u>

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	273,440	437,092
Rest of Europe	2,391,590	2,493,985
Rest of the world	772,898	445,637
	<u>3,437,928</u>	<u>3,376,714</u>

5. Other operating income

	2016 £	2015 £
Other operating income	246,000	205,200
	<u>246,000</u>	<u>205,200</u>

DAWSON SHANAHAN (WALES) LIMITED

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

6. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	342,076	248,664
Exchange differences	27,050	2,504
Operating lease costs	74,195	79,383
	<u>74,195</u>	<u>79,383</u>

7. Auditors' remuneration

	2016 £	2015 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	7,930	9,340
	<u>7,930</u>	<u>9,340</u>
Fees payable to the Company's auditor in respect of:		
All other services	3,187	1,350
	<u>3,187</u>	<u>1,350</u>

DAWSON SHANAHAN (WALES) LIMITED

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

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	595,757	901,941
Social security costs	48,395	70,477
Cost of defined contribution scheme	16,347	28,833
	<u>660,499</u>	<u>1,001,251</u>

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

	2016 No.	2015 No.
Manufacturing	71	68
Administration	15	13
Management	8	8
	<u>94</u>	<u>89</u>

The company holds the employment contracts for all employees of Dawson Shanahan (Wales) Limited and Dawson Shanahan Limited, but the employment costs of the employees of Dawson Shanahan Limited are recharged to that company and are not included in the above staff costs.

The total recharges were wages and salaries £1,487,074 (2015 - £1,343,828), social security costs £125,156 (2015 - £108,376) and pension costs £81,166 (2015 - £70,085).

9. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	24,190	69,871
Company contributions to defined contribution pension schemes	686	1,658
	<u>24,876</u>	<u>71,529</u>

During the year, retirement benefits were accruing to 1 director (2015 - 1) in respect of defined contribution pension schemes.

DAWSON SHANAHAN (WALES) LIMITED

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

10. Interest receivable and similar income

	2016 £	2015 £
Other interest receivable	95	51
	<u>95</u>	<u>51</u>

11. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	129	2,147
Finance leases and hire purchase contracts	7,885	4,034
	<u>8,014</u>	<u>6,181</u>

12. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	145,241	22,021
Adjustments in respect of previous years	17,317	-
Total current tax	<u>162,558</u>	<u>22,021</u>
Deferred tax		
Origination and reversal of timing differences	(10,200)	77,300
Total deferred tax	<u>(10,200)</u>	<u>77,300</u>
Taxation on profit on ordinary activities	<u>152,358</u>	<u>99,321</u>

DAWSON SHANAHAN (WALES) LIMITED

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

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - *lower than*) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	768,818	648,703
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	153,764	129,741
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	21,070	2,278
Capital allowances for year in excess of depreciation	21,735	(89,050)
Adjustments to tax charge in respect of prior years	17,317	-
Short term timing difference leading to an decrease in taxation	(3,825)	(232)
Deferred tax	(10,200)	77,300
Adjustment in research and development tax credit leading to decrease in the tax charge	(47,503)	(20,716)
Total tax charge for the year	152,358	99,321

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

13. Dividends

	2016 £	2015 £
Dividends on equity capital	291,000	245,280
	291,000	245,280

The directors had an interest in dividends paid during the period as follows:

D Dawson - £Nil (2015 - £107,921)
L Reeves - £Nil (2015 - £83,939)
M. Jening - £Nil (2015 - £53,960)

DAWSON SHANAHAN (WALES) LIMITED

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

14. Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2016	2,453,512	75,899	60,594	86,288	2,676,293
Additions	77,901	15,933	22,882	-	116,716
Disposals	(9,000)	(31,224)	-	-	(40,224)
At 31 December 2016	<u>2,522,413</u>	<u>60,608</u>	<u>83,476</u>	<u>86,288</u>	<u>2,752,785</u>
Depreciation					
At 1 January 2016	1,069,511	42,154	33,927	39,065	1,184,657
Charge for the year on owned assets	233,624	17,386	12,201	23,995	287,206
Charge for the year on financed assets	54,870	-	-	-	54,870
Disposals	(9,000)	(31,224)	-	-	(40,224)
At 31 December 2016	<u>1,349,005</u>	<u>28,316</u>	<u>46,128</u>	<u>63,060</u>	<u>1,486,509</u>
Net book value					
At 31 December 2016	<u>1,173,408</u>	<u>32,292</u>	<u>37,348</u>	<u>23,228</u>	<u>1,266,276</u>
At 31 December 2015	<u>1,384,001</u>	<u>33,745</u>	<u>26,667</u>	<u>47,223</u>	<u>1,491,636</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2016 £	2015 £
Plant and machinery	219,480	382,568
	<u>219,480</u>	<u>382,568</u>

DAWSON SHANAHAN (WALES) LIMITED

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

15. Fixed asset investments

	Investments in associates £
Cost or valuation	
Additions	600,000
At 31 December 2016	<u>600,000</u>
Net book value	
At 31 December 2016	<u>600,000</u>
At 31 December 2015	<u>-</u>

Participating interests

Associates and other investments

Name	Country of incorporation	Holding	Principal activity
Dawson Shanahan Limited	Ordinary	46.3 %	General engineering
Dawson Medical Limited	Ordinary	7 %	Precision engineering

The aggregate of the share capital and reserves as at 31 December 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Dawson Shanahan Limited	1,322,431	(249,991)
Dawson Medical Limited	196,594	(36,548)
	<u>1,519,025</u>	<u>(286,539)</u>

DAWSON SHANAHAN (WALES) LIMITED

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

16. Stocks

	2016 £	2015 £
Raw materials and consumables	147,607	223,849
Work in progress	188,553	108,096
Finished goods and goods for resale	248,756	245,042
	<u>584,916</u>	<u>576,987</u>

17. Debtors

	2016 £	2015 £
Trade debtors	719,675	2,160,682
Amounts owed by group undertakings	1,353,725	-
Prepayments and accrued income	206,820	163,028
	<u>2,280,220</u>	<u>2,323,710</u>

18. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	172,505	153,611
	<u>172,505</u>	<u>153,611</u>

DAWSON SHANAHAN (WALES) LIMITED

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

19. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	449,771	506,665
Corporation tax	155,395	22,021
Taxation and social security	90,162	199,905
Obligations under finance lease and hire purchase contracts	60,514	77,792
Other creditors	110,724	95,279
Accruals and deferred income	111,702	123,379
	<u>978,268</u>	<u>1,025,041</u>

Secured loans

Net obligations under finance leases and hire purchase contracts of £60,514 (2015 - £77,792) are secured over the assets to which they relate.

20. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Net obligations under finance leases and hire purchase contracts	116,549	177,063
Other creditors	150,000	-
	<u>266,549</u>	<u>177,063</u>

Secured loans

Net obligations under finance leases and hire purchase contracts of £116,549 (2015 - £177,063) are secured over the assets to which they relate.

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2016 £	2015 £
Within one year	60,514	77,792
Between 1-2 years	116,549	177,063
	<u>177,063</u>	<u>254,855</u>

DAWSON SHANAHAN (WALES) LIMITED

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

22. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	2,073,400	2,160,682
	<u>2,073,400</u>	<u>2,160,682</u>
Financial liabilities		
Financial liabilities measured at amortised cost	887,558	856,799
	<u>887,558</u>	<u>856,799</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and obligations under finance lease and hire purchase contracts.

23. Deferred taxation

	2016 £	2015 £
At beginning of year	164,300	87,000
Charged to the Statement of comprehensive income	(10,200)	77,300
At end of year	<u>154,100</u>	<u>164,300</u>

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	154,100	164,300
	<u>154,100</u>	<u>164,300</u>

DAWSON SHANAHAN (WALES) LIMITED

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

24. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
51 Ordinary "A" shares of £1 each	51	51
20 Ordinary "B" shares of £1 each	20	20
15 Ordinary "C" shares of £1 each	15	15
	86	86

The Ordinary "A" £1 shares, Ordinary "B" £1 shares and Ordinary "C" £1 shares are separate classes of shares for the purpose of declaration of dividends. The declaration of a dividend in respect of one class of share shall not compel a dividend at the same rate to be declared in respect of any other class of shares. The Ordinary "A" £1, Ordinary "B" £1 and Ordinary "C" £1 shares rank pari passu in all other respects.

25. Reserves

Profit & loss account

Profit and loss account includes all current and prior year retained profits and losses

26. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £16,347 (2015 - £28,833).

Contributions totalling £9,723 (2015 - £9,499) were payable to the fund at the reporting date and are included in creditors.

27. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	131,900	131,900
Later than 1 year and not later than 5 years	497,350	508,350
Later than 5 years	286,400	407,300
Total	915,650	1,047,550

DAWSON SHANAHAN (WALES) LIMITED

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

28. Related party transactions

During the year, the company traded with Dawson Shanahan Limited, an associate company of Dawson Shanahan (Wales) Limited. The transactions were as follows:

	2016 £	2015 £
Amounts due from Dawson Shanahan Limited	1,353,725	1,392,054
Management charge income	(246,000)	(205,000)
Management charge expense	120,000	120,000
Recharge expenses received	2,289,132	3,418,136

During the year, the company purchased the shares of Dawson Shanahan Limited and Dawson Medical Limited from a connected person for £600,000.

Included within other creditors, due within one year is an amount of £1,001 (2015 - £85,780) due to directors.

During the year, and amount of £1,799 (2015 - £Nil) was borrowed by a director. This balance has been fully repaid and no outstanding amounts are due from directors at year end.

Remuneration of key management personnel is as disclosed. No other employees are considered to be key management.

The company has taken advantage of the exemption allowed by Financial Reporting Standard 102, not to disclose any transactions between the company and its parent undertaking that is included in the consolidated financial statements.

During the year, the company has paid dividends of £291,000 (2015 - £Nil) to Dawson Shanahan Holdings Limited, a parent undertaking.

29. Ultimate parent company and controlling party

On 22 December 2015, the entire share capital of the company was purchased by Dawson Shanahan Holdings Limited, a company incorporated in England and Wales, via a share-for-share exchange. The ultimate parent company is Dawson Shanahan Holdings Limited.

The ultimate controlling party continues to be D Dawson, a director, by virtue of his majority shareholding in Dawson Shanahan Holdings Limited.