

Company Registration No. SC190833 (Scotland)

L H STAINLESS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018
PAGES FOR FILING WITH REGISTRAR

L H STAINLESS LIMITED

COMPANY INFORMATION

Directors	Garry J Fraser Stuart G Fraser
Secretary	Garry Fraser
Company number	SC190833
Registered office	Towiemore Drummuir KEITH AB55 5JA
Accountants	Johnston Carmichael LLP Strathdeveron House Steven Road Huntly AB54 8SX

L H STAINLESS LIMITED

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L H STAINLESS LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	3		323,783		548,645
Current assets					
Stocks		346,399		415,429	
Debtors	4	553,150		892,674	
Cash at bank and in hand		282,470		76,783	
		<u>1,182,019</u>		<u>1,384,886</u>	
Creditors: amounts falling due within one year	5	<u>(603,207)</u>		<u>(851,515)</u>	
Net current assets			578,812		533,371
Total assets less current liabilities			<u>902,595</u>		<u>1,082,016</u>
Creditors: amounts falling due after more than one year	6		(37,879)		(80,488)
Provisions for liabilities			<u>(30,467)</u>		<u>(33,215)</u>
Net assets			<u><u>834,249</u></u>		<u><u>968,313</u></u>
Capital and reserves					
Called up share capital	8	46,900		46,900	
Share premium account		395,100		395,100	
Profit and loss reserves		<u>392,249</u>		<u>526,313</u>	
Total equity			<u><u>834,249</u></u>		<u><u>968,313</u></u>

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

For the financial year ended 31 January 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

L H STAINLESS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 JANUARY 2018

The financial statements were approved by the board of directors and authorised for issue on 13 June 2018 and are signed on its behalf by:

Garry J Fraser
Director

Stuart G Fraser
Director

Company Registration No. SC190833

L H STAINLESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2018

1 Accounting policies

Company information

L H Stainless Limited is a private company limited by shares incorporated in Scotland. The registered office is Towiemore, Drummur, KEITH, AB55 5JA.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover represents amounts receivable from the manufacture and supply of stainless steel products and systems, net of VAT.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	- 2% and 10% straight line
Plant and machinery	- 20% reducing balance
Fixtures, fittings & equipment	- 15% reducing balance
Motor vehicles	- 25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

L H STAINLESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2018

1 Accounting policies

(Continued)

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss.

1.6 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as expenses in the period in which they are incurred and contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price including transaction costs. Basic financial assets are assessed for indicators of impairment at each financial reporting date with any resulting impairment recognised through profit or loss.

L H STAINLESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2018

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities. Trade creditors are recognised at transaction price.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

1.12 Retirement benefits

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

L H STAINLESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2018

1 Accounting policies

(Continued)

1.13 Leases

Leases and hire purchase contracts are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees.

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

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.14 Government grants

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

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 34 (2017 - 35).

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 February 2017	330,764	826,582	1,157,346
Additions	115,225	68,600	183,825
Disposals	(338,913)	(78,801)	(417,714)
At 31 January 2018	107,076	816,381	923,457
Depreciation and impairment			
At 1 February 2017	75,061	533,640	608,701
Depreciation charged in the year	8,733	69,852	78,585
Eliminated in respect of disposals	(63,628)	(23,984)	(87,612)
At 31 January 2018	20,166	579,508	599,674
Carrying amount			
At 31 January 2018	86,910	236,873	323,783
At 31 January 2017	255,703	292,942	548,645

L H STAINLESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2018

4 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	350,287	467,070
Amounts due from group undertakings	22,466	143,812
Other debtors	180,397	281,792
	<u>553,150</u>	<u>892,674</u>

5 Creditors: amounts falling due within one year

	Notes	2018	2017
		£	£
Obligations under finance leases		58,214	81,331
Trade creditors		305,589	434,085
Amounts due to group undertakings		22,071	-
Corporation tax		62,663	30,672
Other taxation and social security		73,696	89,806
Government grants	7	358	358
Other creditors		14,502	191,171
Accruals and deferred income		66,114	24,092
		<u>603,207</u>	<u>851,515</u>

Obligations under hire purchase contracts are secured by fixed charges over the assets to which they relate.

6 Creditors: amounts falling due after more than one year

	Notes	2018	2017
		£	£
Obligations under finance leases		37,521	79,772
Government grants	7	358	716
		<u>37,879</u>	<u>80,488</u>

Obligations under hire purchase contracts are secured by fixed charges over the assets to which they relate.

L H STAINLESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2018

7 Government grants

Deferred income is included in the financial statements as follows:

	2018 £	2017 £
Current liabilities	358	358
Non-current liabilities	358	716
	<u>716</u>	<u>1,074</u>

8 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
46,900 Ordinary shares of £1 each	<u>46,900</u>	<u>46,900</u>

9 Operating lease commitments

Lessee

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

	2018 £	2017 £
	<u>400,000</u>	<u>-</u>

The operating lease commitment disclosed above represents a property lease which expires in 2027.

10 Related party transactions

The following amounts were outstanding at the reporting end date:

	2018 £	2017 £
Amounts owed to related parties		
Key management personnel	<u>1,968</u>	<u>1,847</u>

The following amounts were outstanding at the reporting end date:

	2017 £
Amounts owed by related parties	
Other related parties	<u>9,184</u>

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