Company Registration No. SC201610 (Scotland)

JOHN FORREST ENGINEERING LTD

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2017

PAGES FOR FILING WITH REGISTRAR

JOHN FORREST ENGINEERING LTD

COMPANY INFORMATION

Directors	John Forrest Aileen Forrest
Secretary	Aileen Forrest
Company number	SC201610
Registered office	Highfield Rothienorman INVERURIE AB51 8UQ
Accountants	Johnston Carmichael LLP Axis Business Centre Thainstone INVERURIE AB51 5TB

JOHN FORREST ENGINEERING LTD

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JOHN FORREST ENGINEERING LTD

BALANCE SHEET

AS AT 31 MAY 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	**3**		141,329		156,091
Current assets					
Stocks		319,427		175,868	
Debtors	**4**	18,723		61,039	
Cash at bank and in hand		14,326		42,150	
		352,476		279,057	
Creditors: amounts falling due within one year	**5**	(264,983)		(269,119)	
Net current assets			87,493		9,938
Total assets less current liabilities			228,822		166,029
Creditors: amounts falling due after more than one year	**6**		(5,614)		-
Provisions for liabilities					
Deferred tax liability		24,026		28,096	
			(24,026)		(28,096)
Net assets			199,182		137,933
Capital and reserves					
Called up share capital	**7**		10		10
Profit and loss reserves			199,172		137,923
Total equity			199,182		137,933

JOHN FORREST ENGINEERING LTD

BALANCE SHEET (CONTINUED)

AS AT 31 MAY 2017

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 May 2017 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.

The financial statements were approved by the board of directors and authorised for issue on 26 February 2018 and are signed on its behalf by:

John Forrest
Director

Company Registration No. SC201610

1 Accounting policies

Company information

John Forrest Engineering Ltd is a private company limited by shares incorporated in Scotland. The registered office is Highfield, Rothienorman, INVERURIE, AB51 8UQ.

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 a mounts in these financial statements are rounded to the nearest pound.

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

These financial statements for the year ended 31 May 2017 are the first financial statements of John Forrest Engineering Ltd prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 June 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Turnover

Turnover represents the revenue recognised in the accounts. Revenue is recognised when the company fulfils its contractual obligation to customers by supplying services and excludes value added tax.

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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	20% reducing balance & 5% straight line
Motor vehicles	25% reducing balance

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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 and work in progress 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 and those overheads 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. Reversals of impairment losses are also recognised in profit or loss.

1 Accounting policies **(Continued)**

1.6 Cash and cash equivalents

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

1.7 Financial instruments

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

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

Basic financial assets

Basic financial assets, which include debtors and bank balances, are measured at transaction price including transaction costs.

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, are recognised at transaction price.

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 if payment is due within one year or less.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the 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.

1 Accounting policies **(Continued)**

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.11 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the 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.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 2 (2016 - 2).

3 **Tangible fixed assets**

	Plant and machinery etc £
Cost	
At 1 June 2016	251,980
Additions	9,600
Disposals	(20,000)
At 31 May 2017	241,580
Depreciation and impairment	
At 1 June 2016	95,889
Depreciation charged in the year	22,360
Eliminated in respect of disposals	(17,998)
At 31 May 2017	100,251
Carrying amount	
At 31 May 2017	141,329
At 31 May 2016	156,091

4 **Debtors**

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	14,908	8,676
Other debtors	3,815	52,363
	18,723	61,039

5 **Creditors: amounts falling due within one year**

	2017 £	2016 £
Trade creditors	18,029	45,248
Corporation tax	20,272	12,028
Other taxation and social security	3,456	516
Other creditors	223,226	211,327
	264,983	269,119

Included in other creditors is £2,283 (2016 - £nil) in relation to obligations under finance lease. These amounts are secured over the assets to which they relate.

6 Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Other creditors	5,614	-

Included in other creditors is £5,614 (2016 - £nil) in relation to obligations under finance lease. These amounts are secured over the assets to which they relate.

7 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
8 ordinary 'A' shares of £1 each	8	8
2 ordinary 'B' shares of £1 each	2	2
	10	10

8 Related party transactions

The following amounts were outstanding at the reporting end date:

	2017 Balance
Amounts owed by related parties	£
Key management personnel	217,943

	2016 Balance
Amounts owed in previous period	£
Key management personnel	209,327

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