Company Registration No. SC240749 (Scotland)

ALMOND ENGINEERING LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

PAGES FOR FILING WITH REGISTRAR

ALMOND ENGINEERING LIMITED

COMPANY INFORMATION

Directors	Christopher Smith	
	Nicholas Smith	
	Timothy Ward	
	David Scalley	(Appointed 20 April 2016)
Company number	SC240749	
Registered office	3A Fleming Road Kirkton Campus Livingston West Lothian	
Accountants	Springfords Dundas House Westfield Park Eskbank Edinburgh EH22 3FB	
Business address	3A Fleming Road Kirkton Campus Livingston West Lothian EH54 7BN	
Bankers	Clydesdale Bank plc 50 Lothian Road Edinburgh EH3 9BY	
Solicitors	Gillespie McAndrew LLP 5 Atholl Crescent Edinburgh Midlothian EH3 8EJ	

ALMOND ENGINEERING LIMITED

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ALMOND ENGINEERING LIMITED

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	5		311,006		393,242
Current assets					
Stocks		82,150		77,974	
Debtors	6	1,131,373		1,056,097	
Cash at bank and in hand		26,038		33,703	
		1,239,561		1,167,774	
Creditors: amounts falling due within one year	7	(374,451)		(263,461)	
Net current assets			865,110		904,313
Total assets less current liabilities			1,176,116		1,297,555
Creditors: amounts falling due after more than one year	8		(103,960)		(178,089)
Provisions for liabilities			(57,610)		(53,999)
Net assets			1,014,546		1,065,467
Capital and reserves					
Called up share capital	9		100		100
Share premium account			30,900		30,900
Profit and loss reserves			983,546		1,034,467
Total equity			1,014,546		1,065,467

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

ALMOND ENGINEERING LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2017

For the financial year ended 31 March 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 21 December 2017 and are signed on its behalf by:

Nicholas Smith
Director

Company Registration No. SC240749

1 Accounting policies

Company information

Almond Engineering Limited is a private company limited by shares incorporated in Scotland. The registered office is 3A Fleming Road, Kirkton Campus, Livingston, West Lothian.

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 £.

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 March 2017 are the first financial statements of Almond Engineering Limited 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 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

The company made a profit during the year and at the end of the year had a positive balance sheet. The directors' consider that the company will be profitable for the foreseeable future and on this basis the accounts have been prepared as a going concern.

1.3 Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

Turnover includes amounts recoverable on contracts in progress at the balance sheet date depending on the stage of completion.

1.4 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:

Leasehold improvements	15% straight line
Plant and machinery	25% reducing balance
Fixtures, fittings & equipment	25% reducing balance and 100% straight line
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.

1 Accounting policies **(Continued)**

1.5 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).

1.6 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 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.

1.7 Long term contracts

Where the outcome of a long term 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 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.

1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies **(Continued)**

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

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, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. 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 if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 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.

1.11 Taxation

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

1 Accounting policies **(Continued)**

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 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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. 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.

1.12 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.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

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

1.14 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.

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 Accounting policies **(Continued)**

1.15 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.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Exceptional costs/(income)

	2017	2016
	£	£
Write off part of intercompany loan	-	337,141

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 29 (2016 - 30).

4 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 April 2016 and 31 March 2017	17,500
Amortisation and impairment	
At 1 April 2016 and 31 March 2017	17,500
Carrying amount	
At 31 March 2017	-
At 31 March 2016	-

5 **Tangible fixed assets**

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 April 2016	36,071	862,389	898,460
Additions	585	15,845	16,430
Disposals	-	(175)	(175)
At 31 March 2017	36,656	878,059	914,715
Depreciation and impairment			
At 1 April 2016	6,276	498,942	505,218
Depreciation charged in the year	5,333	93,243	98,576
Eliminated in respect of disposals	-	(85)	(85)
At 31 March 2017	11,609	592,100	603,709
Carrying amount			
At 31 March 2017	25,047	285,959	311,006
At 31 March 2016	29,795	363,447	393,242

6 **Debtors**

	2017	2016
Amounts falling due within one year:	£	£
Trade debtors	457,564	274,749
Amounts owed by group undertakings	591,742	719,272
Other debtors	82,067	62,076
	1,131,373	1,056,097

7 Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loans and overdrafts	109,155	5,051
Trade creditors	50,905	59,303
Amounts due to group undertakings	31,603	2,188
Corporation tax	(303)	39,608
Other taxation and social security	90,752	72,760
Other creditors	92,339	84,551
	374,451	263,461

The amount represented by bank loans and overdraft relates to a bank cash flow finance facility advance by the Clydesdale Bank. Termination is subject to a minimum 3 month notice period from the bank. The facility is secured by a floating charge over the assets of the company.

Included within other creditors are hire purchase contracts for the sum of £60,918 (2016 - £68,217) which are secured by fixed charges against the assets to which they relate.

8 Creditors: amounts falling due after more than one year

	Notes	2017	2016
		£	£
Hire purchase contracts		83,127	144,756
Government grants		20,833	33,333
		103,960	178,089

Hire purchase contracts are secured by fixed charges against the assets to which they relate.

9 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100
	100	100

10 Financial commitments, guarantees and contingent liabilities

Guarantees & Security

All three group companies entered into an agreement with Clydesdale Bank which cover all liabilities due from the group companies to the Clydesdale Bank, including the invoice finance account with Almond Engineering (£350,000 facility annually-renewable), the £150,000 term loan to Culligan (UK), the £250,000 overdraft facility for Culligan (UK), the £10,000 credit card facility and foreign exchange trading agreements with Almond Engineering and Culligan (UK).

11 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:

	2017	2016
	£	£
	45,541	104,606

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