

Company Registration No. SC249513 (Scotland)

**SUTHERLANDS ELECTRICAL &
ENGINEERING LIMITED**
UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JULY 2017
PAGES FOR FILING WITH REGISTRAR

SUTHERLANDS ELECTRICAL & ENGINEERING LIMITED

COMPANY INFORMATION

Directors	G R Sutherland G N Sutherland A Sutherland J Sutherland
Secretary	G F MacLennan
Company number	SC249513
Registered office	Clava House Cradlehall Business Park INVERNESS IV2 5GH
Accountants	Johnston Carmichael LLP Clava House Cradlehall Business Park INVERNESS IV2 5GH

SUTHERLANDS ELECTRICAL & ENGINEERING LIMITED

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SUTHERLANDS ELECTRICAL & ENGINEERING LIMITED

BALANCE SHEET

AS AT 31 JULY 2017

			31 July 2017	31 August 2016 as restated
	Notes	£	£	£
Fixed assets				
Tangible assets	3		46,628	59,174
Investments	4		2,263	2,263
			<u>48,891</u>	<u>61,437</u>
Current assets				
Stocks		27,609		39,550
Debtors	5	411,723		658,808
Cash at bank and in hand		308,941		947,993
		<u>748,273</u>	<u>1,646,351</u>	
Creditors: amounts falling due within one year	6	(296,146)	(363,907)	
Net current assets			<u>452,127</u>	<u>1,282,444</u>
Total assets less current liabilities			<u>501,018</u>	<u>1,343,881</u>
Provisions for liabilities				
Deferred tax liability		4,380	6,155	
		<u>(4,380)</u>	<u>(6,155)</u>	
Net assets			<u>496,638</u>	<u>1,337,726</u>
Capital and reserves				
Called up share capital	7		5,263	5,263
Profit and loss reserves			491,375	1,332,463
Total equity			<u>496,638</u>	<u>1,337,726</u>

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

SUTHERLANDS ELECTRICAL & ENGINEERING LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 JULY 2017

For the financial period ended 31 July 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 period 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 14 March 2018 and are signed on its behalf by:

G R Sutherland
Director

G N Sutherland
Director

Company Registration No. SC249513

SUTHERLANDS ELECTRICAL & ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JULY 2017

1 Accounting policies

Company information

Sutherlands Electrical & Engineering Limited (SC249513), is a private company limited by shares incorporated in Scotland. The registered office is Clava House, Cradlehall Business Park, Inverness, IV2 5GH. The business address is 1 Longman Drive, Inverness, IV1 1SU.

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.

These financial statements for the period ended 31 July 2017 are the first financial statements of Sutherlands Electrical & 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 September 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The financial statements present information about the company as an individual entity and not about its group. The company is a wholly owned subsidiary of Sutherlands Holding Group Limited, which comprises a small sized group.

1.2 Turnover

Turnover is recognised to the extent that the company has obtained the right to consideration through its performance.

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.3 Tangible fixed assets

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

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

Plant and machinery	15% straight line
Fixtures, fittings & equipment	20% 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.

SUTHERLANDS ELECTRICAL & ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2017

1 Accounting policies

(Continued)

1.4 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals and impaired losses are recognised immediately in the profit and loss account.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.5 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).

1.6 Stocks

Stock and work in progress are valued at the lower of cost and net realisable value.

At each reporting date, an assessment is made for impairment.

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.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

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.

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.

SUTHERLANDS ELECTRICAL & ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2017

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, 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.

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 liabilities are generally recognised for all timing differences.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled. 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.

1.11 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.

1.12 Retirement benefits

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

1.13 Leases

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.

SUTHERLANDS ELECTRICAL & ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2017

1 Accounting policies

(Continued)

1.14 Prior year adjustment

An adjustment to the results for the year ended 31 August 2016 has been made to reflect a change in accounting policy whereby investments are stated at cost rather than fair value. This aligns the company with its related group companies.

The effect of this adjustment is that a dividend of £350,000 distributed from pre-acquisition profits and which had been offset against the fair value of the investment of £450,000 has been recognised in the profit and loss account thereby increasing reported profit for that year by £350,000. The fixed asset investment has been written down by £97,737 to its cost of £2,263 and the merger reserve of £97,737 thereby eliminated.

1.15 Long-term contracts

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.

2 Employees

The average monthly number of persons (including directors) employed by the company during the period was 15 (2016 - 15).

3 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 September 2016	116,308
Additions	274
At 31 July 2017	116,582
Depreciation and impairment	
At 1 September 2016	57,134
Depreciation charged in the period	12,820
At 31 July 2017	69,954
Carrying amount	
At 31 July 2017	46,628
At 31 August 2016	59,174

SUTHERLANDS ELECTRICAL & ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2017

4	Fixed asset investments	2017	2016
		£	£
			As restated
	Investments in subsidiaries	2,263	2,263
		<u>2,263</u>	<u>2,263</u>
	Movements in fixed asset investments		
			Investments in subsidiaries
			£
	Cost		
	At 1 September 2016 & 31 July 2017		2,263
			<u>2,263</u>
	Carrying amount		
	At 31 July 2017		2,263
			<u>2,263</u>
	At 31 August 2016		2,263
			<u>2,263</u>
5	Debtors	2017	2016
		£	£
	Amounts falling due within one year:		
	Trade debtors	155,527	447,200
	Other debtors	256,196	211,608
		<u>411,723</u>	<u>658,808</u>
6	Creditors: amounts falling due within one year	2017	2016
		£	£
	Trade creditors	49,494	57,928
	Corporation tax	90,794	98,869
	Other taxation and social security	65,022	128,237
	Other creditors	90,836	78,873
		<u>296,146</u>	<u>363,907</u>
7	Called up share capital	2017	2016
		£	£
	Ordinary share capital		
	Issued and fully paid		
	5,263 Ordinary shares of £1 each	5,263	5,263
		<u>5,263</u>	<u>5,263</u>

SUTHERLANDS ELECTRICAL & ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2017

8 Operating lease commitments

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

2017	2016
£	£
43,200	43,200
<u>43,200</u>	<u>43,200</u>

9 Events after the reporting date

The company disposed of its entire shareholding in its subsidiary undertaking Sutherland Engineering Limited to its parent undertaking Sutherlands Holding Group Limited on 20 September 2017 for consideration amounting to £100,000.

The entire share capital of the company was acquired by its fellow subsidiary undertaking Sterner Aquatech UK Limited for consideration of £1,700,000.

10 Related party transactions

The following amounts were outstanding at the reporting end date:

	2017 Balance £
Amounts owed by related parties	
Other related parties	196,541
	<u>196,541</u>
	2016 Balance £
Amounts owed in previous period	
Other related parties	196,541
	<u>196,541</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.