

REGISTERED NUMBER: SC265321 (Scotland)

Financial Statements For The Year Ended 31 December 2017

for

Lareine Engineering Limited

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For The Year Ended 31 December 2017

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Lareine Engineering Limited
Company Information
For The Year Ended 31 December 2017

DIRECTORS:

T Green
G A M Alexander
T A Bates

SECRETARY:

C Buttar

REGISTERED OFFICE:

Unit 1
Armadale Industrial Estate
Armadale
Bathgate
West Lothian
EH48 2ND

REGISTERED NUMBER:

SC265321 (Scotland)

AUDITORS:

Robb Ferguson
Chartered Accountants & Statutory Auditors
Regent Court
70 West Regent Street
Glasgow
G2 2QZ

Lareine Engineering Limited (Registered number: SC265321)

Statement of Financial Position
31 December 2017

	Notes	2017 £	£	2016 £	£
FIXED ASSETS					
Intangible assets	4		55,419		52,101
Tangible assets	5		495,494		580,845
			550,913		632,946
CURRENT ASSETS					
Stocks		120,805		121,567	
Debtors	6	3,425,263		3,693,310	
Cash at bank and in hand		622,175		5,953	
		4,168,243		3,820,830	
CREDITORS					
Amounts falling due within one year	7	2,575,282		2,525,385	
NET CURRENT ASSETS			1,592,961		1,295,445
TOTAL ASSETS LESS CURRENT LIABILITIES			2,143,874		1,928,391
CREDITORS					
Amounts falling due after more than one year	8		(146,434)		(247,088)
PROVISIONS FOR LIABILITIES			(41,290)		(47,612)
NET ASSETS			1,956,150		1,633,691
CAPITAL AND RESERVES					
Called up share capital			1,000		1,000
Share premium			296,233		296,233
Retained earnings			1,658,917		1,336,458
SHAREHOLDERS' FUNDS			1,956,150		1,633,691

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 29 June 2018 and were signed on its behalf by:

T Green - Director

The notes form part of these financial statements

Notes to the Financial Statements
For The Year Ended 31 December 2017

1. STATUTORY INFORMATION

Lareine Engineering Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer.

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 balance sheet date. This is normally measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. 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.

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

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

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Development expenditure is written off, except where the directors are satisfied as to the technical, commercial and financial viability of the individual project. In such cases, the identifiable expenditure is capitalised as an intangible asset and amortised over the period during which the company is expected to benefit. This period is 5 years. Provision is made for any impairment.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant & equipment	- 10% on cost
Fixtures & fittings	- 10% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 20% on cost

Assets, other than those measured at fair value, are assessed for indicators of impairment at each statement of financial position date. If there is objective evidence of impairment, an impairment loss is recognised in the profit and loss.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Notes to the Financial Statements - continued
For The Year Ended 31 December 2017

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the Statement of Financial Position. Those held under hire purchase contracts are depreciated over their useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Loans and borrowings that are classified as payable or receivable within one year on initial recognition are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 73 (2016 - 78).

Notes to the Financial Statements - continued
For The Year Ended 31 December 2017

4. INTANGIBLE FIXED ASSETS

	Development costs £
COST	
At 1 January 2017	83,411
Additions	<u>20,000</u>
At 31 December 2017	<u>103,411</u>
AMORTISATION	
At 1 January 2017	31,310
Amortisation for year	<u>16,682</u>
At 31 December 2017	<u>47,992</u>
NET BOOK VALUE	
At 31 December 2017	<u>55,419</u>
At 31 December 2016	<u>52,101</u>

5. TANGIBLE FIXED ASSETS

	Plant & equipment £	Fixtures & fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2017	468,872	264,159	135,240	110,635	978,906
Additions	<u>10,118</u>	<u>1,887</u>	<u>-</u>	<u>2,028</u>	<u>14,033</u>
At 31 December 2017	<u>478,990</u>	<u>266,046</u>	<u>135,240</u>	<u>112,663</u>	<u>992,939</u>
DEPRECIATION					
At 1 January 2017	220,603	48,798	91,631	37,029	398,061
Charge for year	<u>26,051</u>	<u>32,180</u>	<u>20,392</u>	<u>20,761</u>	<u>99,384</u>
At 31 December 2017	<u>246,654</u>	<u>80,978</u>	<u>112,023</u>	<u>57,790</u>	<u>497,445</u>
NET BOOK VALUE					
At 31 December 2017	<u>232,336</u>	<u>185,068</u>	<u>23,217</u>	<u>54,873</u>	<u>495,494</u>
At 31 December 2016	<u>248,269</u>	<u>215,361</u>	<u>43,609</u>	<u>73,606</u>	<u>580,845</u>

Notes to the Financial Statements - continued
For The Year Ended 31 December 2017

5. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant & equipment £	Motor vehicles £	Totals £
COST			
At 1 January 2017	232,072	98,572	330,644
Transfer to ownership	-	(56,912)	(56,912)
At 31 December 2017	<u>232,072</u>	<u>41,660</u>	<u>273,732</u>
DEPRECIATION			
At 1 January 2017	26,282	69,068	95,350
Charge for year	20,737	14,750	35,487
Transfer to ownership	-	(56,912)	(56,912)
At 31 December 2017	<u>47,019</u>	<u>26,906</u>	<u>73,925</u>
NET BOOK VALUE			
At 31 December 2017	<u>185,053</u>	<u>14,754</u>	<u>199,807</u>
At 31 December 2016	<u>205,790</u>	<u>29,504</u>	<u>235,294</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	1,190,869	741,401
Amounts recoverable on contracts	2,163,223	2,821,521
Prepayments and accrued income	<u>71,171</u>	<u>130,388</u>
	<u>3,425,263</u>	<u>3,693,310</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Bank loans and overdrafts (see note 9)	-	806,923
Hire purchase contracts (see note 10)	46,741	68,873
Trade creditors	809,608	716,815
Tax	177,629	-
Social security and other taxes	96,143	83,496
VAT	289,178	313,630
Other creditors	1,147,483	532,648
Deferred government grants	<u>8,500</u>	<u>3,000</u>
	<u>2,575,282</u>	<u>2,525,385</u>

Notes to the Financial Statements - continued
For The Year Ended 31 December 2017

8. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2017	2016
	£	£
Bank loans (see note 9)	-	97,350
Hire purchase contracts (see note 10)	76,226	122,988
Deferred government grants	70,208	26,750
	<u>146,434</u>	<u>247,088</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans - 5+ years	<u>-</u>	<u>50,150</u>

9. **LOANS**

An analysis of the maturity of loans is given below:

	2017	2016
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	-	795,123
Bank loans	<u>-</u>	<u>11,800</u>
	<u>-</u>	<u>806,923</u>

Amounts falling due between one and two years:

Bank loans - 1-2 years	<u>-</u>	<u>11,800</u>
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Amounts falling due between two and five years:

Bank loans - 2-5 years	<u>-</u>	<u>35,400</u>
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Amounts falling due in more than five years:

Repayable by instalments		
Bank loans - 5+ years	<u>-</u>	<u>50,150</u>

10. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2017	2016
	£	£
Net obligations repayable:		
Within one year	46,741	68,873
Between one and five years	76,226	122,988
	<u>122,967</u>	<u>191,861</u>

Notes to the Financial Statements - continued
For The Year Ended 31 December 2017

10. LEASING AGREEMENTS - continued

	Non-cancellable operating leases	
	2017	2016
	£	£
Within one year	160,777	165,561
Between one and five years	514,738	566,432
In more than five years	476,500	573,000
	<u>1,152,015</u>	<u>1,304,993</u>

11. SECURED DEBTS

The following secured debts are included within creditors:

	2017	2016
	£	£
Bank overdraft	-	795,123
Bank loans	-	109,150
Hire purchase contracts	122,967	191,861
	<u>122,967</u>	<u>1,096,134</u>

Santander UK Plc hold a bond and floating charge over the assets of the company.

12. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Janice Alexander (Senior Statutory Auditor)
for and on behalf of Robb Ferguson

13. CONTINGENT LIABILITIES

The company has entered into a cross guarantee with Santander Bank Plc over the borrowings of the following related companies; Thomas Johnstone (Holdings) Limited and Thomas Johnstone Limited. The potential liability at 31 December 2017 amounted to £159,639 (2016 - £382,450).

14. RELATED PARTY DISCLOSURES

A company under common control

During the year to 31 December 2017, the company made sales of £125,243 (2016 - £105,166) to a company under common control. The company also paid management fees of £171,000 (2016 - £21,531) and made purchases of £77,843 (2016 - £9,940). As at the statement of financial position date, the company owed £106,793 (2016 - £7,816) to the company under common control.

A company under common control

During the year to 31 December 2017, the company paid rent of £30,417 (2016 - £36,500) to a company under common control. No sums were outstanding as at the statement of financial position date (2016 - £nil).

A company under common control

During the year to 31 December 2017, the company paid rent of £6,083 (2016 - £nil) to a company under common control. No sums were outstanding as at the statement of financial position date (2016 - £nil).

Notes to the Financial Statements - continued
For The Year Ended 31 December 2017

15. ULTIMATE PARENT COMPANY

At the statement of financial position date, Lareine Engineering (Holdings) Limited (incorporated in the UK) is regarded by the directors as being the company's ultimate parent company.

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.