

Unaudited Financial Statements
for the Year Ended 31 December 2019
for
Cheshire Tool Company Limited

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for the Year Ended 31 December 2019**

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Cheshire Tool Company Limited
Company Information
for the Year Ended 31 December 2019

DIRECTOR: P A Carr

SECRETARY: P A Carr

REGISTERED OFFICE: Unit 5 Park Road Estate
Park Road
Timperley
Altrincham
Cheshire
WA14 5QH

REGISTERED NUMBER: 01015904 (England and Wales)

ACCOUNTANTS: Voisey & Co
Chartered Accountants
8 Winmarleigh Street
Warrington
Cheshire
WA1 1JW

Cheshire Tool Company Limited (Registered number: 01015904)

**Balance Sheet
31 December 2019**

	Notes	2019 £	£	2018 £	£
FIXED ASSETS					
Intangible assets	4	63,717		-	
Tangible assets	5	<u>57,938</u>		<u>69,418</u>	
			121,655		69,418
CURRENT ASSETS					
Stocks		74,451		71,687	
Debtors	6	633,132		600,852	
Cash at bank and in hand		<u>398</u>		<u>26,746</u>	
		707,981		699,285	
CREDITORS					
Amounts falling due within one year	7	<u>376,193</u>		<u>291,222</u>	
NET CURRENT ASSETS			<u>331,788</u>		<u>408,063</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			453,443		477,481
CREDITORS					
Amounts falling due after more than one year	8		(25,551)		(2,975)
PROVISIONS FOR LIABILITIES			<u>(11,007)</u>		<u>(13,188)</u>
NET ASSETS			<u>416,885</u>		<u>461,318</u>
CAPITAL AND RESERVES					
Called up share capital	12		5,000		5,000
Capital redemption reserve	13		10		10
Retained earnings	13		<u>411,875</u>		<u>456,308</u>
SHAREHOLDERS' FUNDS			<u>416,885</u>		<u>461,318</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2019 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

Balance Sheet - continued
31 December 2019

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

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

The financial statements were approved by the director and authorised for issue on 31 March 2021 and were signed by:

P A Carr - Director

**Notes to the Financial Statements
for the Year Ended 31 December 2019**

1. STATUTORY INFORMATION

Cheshire Tool Company Limited is a private company, limited by shares, registered in England and Wales. 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 Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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 principal accounting policies adopted are set out below.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Significant judgements and estimates

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover and revenue recognition

Turnover is recognised at the fair value of the consideration received or receivable for invoiced sales and fees 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.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2013, is being amortised evenly over its estimated useful life of five years.

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 costs are being amortised evenly over their estimated useful life of nil years.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

2. ACCOUNTING POLICIES - continued

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 and machinery - 25% on cost and 10% on cost

Motor vehicles - 25% on cost

Plant and machinery items are shown at valuation, however the company has chosen not to adopt a policy of revaluation in the future.

Stocks

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

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

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

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the 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 defined contribution pension schemes in respect of employees. The assets of the schemes are held in separately administered funds from the other assets of the company. The charge to the profit and loss account represents the contributions to the schemes in the year.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2019**

2. ACCOUNTING POLICIES - continued

Cash and cash equivalents

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

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 statement of financial position 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 net 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 costs 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2019**

2. ACCOUNTING POLICIES - continued

Impairment of financial assets

Financial assets, other than those held at fair value through profit or 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.

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, 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 receipts 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.

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.

Employees 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

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 16 (2018 - 15) .

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

4. INTANGIBLE FIXED ASSETS

	Goodwill £	Other intangible assets £	Totals £
COST			
At 1 January 2019	52,500	-	52,500
Additions	-	63,717	63,717
At 31 December 2019	<u>52,500</u>	<u>63,717</u>	<u>116,217</u>
AMORTISATION			
At 1 January 2019 and 31 December 2019	<u>52,500</u>	<u>-</u>	<u>52,500</u>
NET BOOK VALUE			
At 31 December 2019	<u>-</u>	<u>63,717</u>	<u>63,717</u>
At 31 December 2018	<u>-</u>	<u>-</u>	<u>-</u>

5. TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 January 2019	112,974	23,178	136,152
Additions	2,006	-	2,006
At 31 December 2019	<u>114,980</u>	<u>23,178</u>	<u>138,158</u>
DEPRECIATION			
At 1 January 2019	48,347	18,387	66,734
Charge for year	13,486	-	13,486
At 31 December 2019	<u>61,833</u>	<u>18,387</u>	<u>80,220</u>
NET BOOK VALUE			
At 31 December 2019	<u>53,147</u>	<u>4,791</u>	<u>57,938</u>
At 31 December 2018	<u>64,627</u>	<u>4,791</u>	<u>69,418</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

5. TANGIBLE FIXED ASSETS - continued

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

	Plant and machinery £
COST	
At 1 January 2019 and 31 December 2019	<u>46,596</u>
DEPRECIATION	
At 1 January 2019	17,553
Charge for year	<u>1,369</u>
At 31 December 2019	<u>18,922</u>
NET BOOK VALUE	
At 31 December 2019	<u>27,674</u>
At 31 December 2018	<u>29,043</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	93,320	86,850
Amounts owed by group undertakings	534,312	508,782
Prepayments and accrued income	<u>5,500</u>	<u>5,220</u>
	<u>633,132</u>	<u>600,852</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Bank loans and overdrafts (see note 9)	66,121	86,038
Hire purchase contracts (see note 10)	1,813	8,628
Trade creditors	70,324	71,947
Tax	5,754	5,754
Social security and other taxes	121,044	15,902
VAT	47,929	32,668
Accruals and deferred income	<u>63,208</u>	<u>70,285</u>
	<u>376,193</u>	<u>291,222</u>

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

	2019 £	2018 £
Bank loans (see note 9)	24,644	-
Hire purchase contracts (see note 10)	<u>907</u>	<u>2,975</u>
	<u>25,551</u>	<u>2,975</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

9. **LOANS**

An analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year or on demand:		
Bank overdrafts	51,504	86,038
Bank loans	<u>14,617</u>	<u>-</u>
	<u>66,121</u>	<u>86,038</u>
Amounts falling due between one and two years:		
Bank loans	<u>18,092</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans	<u>6,552</u>	<u>-</u>

10. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2019 £	2018 £
Gross obligations repayable:		
Within one year	1,983	9,161
Between one and five years	<u>992</u>	<u>3,231</u>
	<u>2,975</u>	<u>12,392</u>
Finance charges repayable:		
Within one year	170	533
Between one and five years	<u>85</u>	<u>256</u>
	<u>255</u>	<u>789</u>
Net obligations repayable:		
Within one year	1,813	8,628
Between one and five years	<u>907</u>	<u>2,975</u>
	<u>2,720</u>	<u>11,603</u>
	Non-cancellable operating leases	
	2019 £	2018 £
Within one year	<u>2,339</u>	<u>41,577</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

11. SECURED DEBTS

The following secured debts are included within creditors:

	2019	2018
	£	£
Bank overdrafts	51,504	86,038
Hire purchase contracts	<u>2,720</u>	<u>11,603</u>
	<u>54,224</u>	<u>97,641</u>

The group bank loans and overdraft facilities are secured by a debenture over the assets of each of the group companies supported by cross company guarantees and a fixed charge over the debtor books of the trading company.

The hire purchase agreement is indemnified by guarantee provided by Cheshire Tool and Pressing Limited.

12. CALLED UP SHARE CAPITAL

Allotted and issued:

Number:	Class:	Nominal value:	2019	2018
			£	£
4,000	"A" Ordinary Shares	£1	4,000	4,000
1,000	"B" Ordinary Shares	£1	<u>1,000</u>	<u>1,000</u>
			<u>5,000</u>	<u>5,000</u>

13. RESERVES

	Retained earnings	Capital redemption reserve	Totals
	£	£	£
At 1 January 2019	456,308	10	456,318
Profit for the year	5,567		5,567
Dividends	<u>(50,000)</u>		<u>(50,000)</u>
At 31 December 2019	<u>411,875</u>	<u>10</u>	<u>411,885</u>

14. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is P A Carr.

**Chartered Accountants' Report to the Director
on the Unaudited Financial Statements of
Cheshire Tool Company Limited**

The following reproduces the text of the report prepared for the director in respect of the company's annual unaudited financial statements. In accordance with the Companies Act 2006, the company is only required to file a Balance Sheet. Readers are cautioned that the Statement of Comprehensive Income and certain other primary statements and the Report of the Director are not required to be filed with the Registrar of Companies.

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Cheshire Tool Company Limited for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed within the ICAEW's regulations and guidance at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

This report is made solely to the director of Cheshire Tool Company Limited in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Cheshire Tool Company Limited and state those matters that we have agreed to state to the director of Cheshire Tool Company Limited in this report in accordance with ICAEW Technical Release 07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Cheshire Tool Company Limited and its director for our work or for this report.

It is your duty to ensure that Cheshire Tool Company Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Cheshire Tool Company Limited. You consider that Cheshire Tool Company Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Cheshire Tool Company Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Voisey & Co
Chartered Accountants
8 Winmarleigh Street
Warrington
Cheshire
WA1 1JW

31 March 2021

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.