

Company Registration No. 02908470 (England and Wales)

**REMEC ENGINEERING SERVICES (BURNLEY)
LIMITED**

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JANUARY 2017**

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REMEC ENGINEERING SERVICES (BURNLEY) LIMITED

COMPANY INFORMATION

Directors	Mr P Furness Mr R Furness
Company number	02908470
Registered office	Summit Works Manchester Road Burnley Lancashire BB11 5HG
Accountants	RSM UK Tax and Accounting Limited Chartered Accountants Bluebell House Brian Johnson Way Preston Lancashire PR2 5PE
Business address	Summit Works Manchester Road Burnley Lancashire BB11 5HG

REMEC ENGINEERING SERVICES (BURNLEY) LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 JANUARY 2017**

	Notes	2017 £	£	2016 £	£
Fixed assets					
Goodwill	5	260,117		276,374	
Tangible assets	6	49,654		41,376	
		<u>309,771</u>		<u>317,750</u>	
Current assets					
Stocks		29,667		30,000	
Debtors	7	148,251		138,883	
Cash at bank and in hand		4,889		17,196	
		<u>182,807</u>		<u>186,079</u>	
Creditors: amounts falling due within one year	8	<u>(347,403)</u>		<u>(405,584)</u>	
Net current liabilities			<u>(164,596)</u>		<u>(219,505)</u>
Total assets less current liabilities			<u>145,175</u>		<u>98,245</u>
Creditors: amounts falling due after more than one year	9		(20,962)		(33,101)
Provisions for liabilities			<u>(2,817)</u>		<u>(1,260)</u>
Net assets			<u>121,396</u>		<u>63,884</u>
Capital and reserves					
Called up share capital	11	100		100	
Profit and loss reserves		121,296		63,784	
Total equity		<u>121,396</u>		<u>63,884</u>	

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 January 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and 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.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

REMEC ENGINEERING SERVICES (BURNLEY) LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 JANUARY 2017

The financial statements were approved by the board of directors and authorised for issue on 6/6/17
and are signed on its behalf by:

†
Mr P Furness
Director

REMEC ENGINEERING SERVICES (BURNLEY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2017

1 Accounting policies

Company information

Remec Engineering Services (Burnley) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Summit Works, Manchester Road, Burnley, Lancashire, BB11 5HG.

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 are the first financial statements of Remec Engineering Services (Burnley) Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Remec Engineering Services (Burnley) Limited for the year ended 31 January 2016 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

Going concern

The company is reliant on the financial support of its directors and the bank. The directors have concluded that it is appropriate to prepare the accounts on a going concern basis as this support will continue for the foreseeable future.

Turnover

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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years. This is based on the longevity of the business, given its longstanding period of existence.

REMEC ENGINEERING SERVICES (BURNLEY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2017

1 Accounting policies (Continued)

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	15% reducing balance
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.

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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

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.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments 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.

REMEC ENGINEERING SERVICES (BURNLEY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2017

1 Accounting policies (Continued)

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 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 trade and other 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

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 trade and other creditors, and bank loans 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of 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.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

REMEC ENGINEERING SERVICES (BURNLEY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2017

1 Accounting policies (Continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

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.

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 statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement 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 13 (2016 - 14).

3 Directors' remuneration

	2017	2016
	£	£
Remuneration paid to directors	12,287	10,707

4 Dividends

REMEC ENGINEERING SERVICES (BURNLEY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2017

5 Intangible fixed assets

	Goodwill £
Cost	
At 1 February 2016 and 31 January 2017	325,145
Amortisation and impairment	
At 1 February 2016	48,771
Amortisation charged for the year	16,257
At 31 January 2017	65,028
Carrying amount	
At 31 January 2017	260,117
At 31 January 2016	276,374

6 Tangible fixed assets

	Plant and Motor vehicles machinery	£	£	Total £
Cost				
At 1 February 2016	41,699	36,883		78,582
Additions	-	21,385		21,385
At 31 January 2017	41,699	58,268		99,967
Depreciation and impairment				
At 1 February 2016	15,882	21,323		37,205
Depreciation charged in the year	3,872	9,236		13,108
At 31 January 2017	19,754	30,559		50,313
Carrying amount				
At 31 January 2017	21,945	27,709		49,654
At 31 January 2016	25,816	15,560		41,376

7 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	137,158	127,790
Other debtors	11,093	11,093
	148,251	138,883

REMEC ENGINEERING SERVICES (BURNLEY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2017

8 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	65,399	47,514
Trade creditors	69,985	66,932
Corporation tax	16,538	22,761
Other taxation and social security	23,257	26,971
Other creditors	172,224	241,406
	<u>347,403</u>	<u>405,584</u>

Bank loans, overdrafts and hire purchase agreements are secured by the company.

The bank overdraft is secured by a legal charge over the premises owned personally by the directors.

9 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Bank loans and overdrafts	<u>20,962</u>	<u>33,101</u>

The long-term loans are secured by the company.

10 Provisions for liabilities

	2017 £	2016 £
Deferred tax liabilities	2,817	1,260
	<u>2,817</u>	<u>1,260</u>

11 Called up share capital

	2017 £	2016 £
Ordinary share capital Issued and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

The ordinary shares have full voting and dividend rights.

REMEC ENGINEERING SERVICES (BURNLEY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2017

12 Related party transactions

Included within other creditors is an amount of £132,528 (2016: £179,900) due to a director of the company. During the year the director introduced cash into the company of £46,835 and withdrew £94,207 from the company. During the year dividends amounting to £nil (2016: £17,000) were paid.

Included within other creditors is an amount of £20,619 (2016: £57,155) due to another director of the company. During the year the director introduced cash into the company of £15,120 and withdrew £51,656 from the company. During the year dividends amounting to £nil (2016: £17,000) were paid.

13 Parent company

The company was under the control of its directors, who controlled the majority of the company's issued share capital, throughout the whole of the current and previous year.