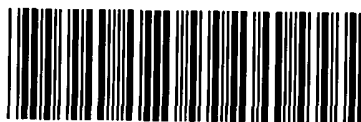


GOSPORT METAL TREATMENTS LIMITED

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016**

PAGES FOR FILING WITH REGISTRAR

FRIDAY



A6D38FW8

A19

18/08/2017

#224

COMPANIES HOUSE

GOSPORT METAL TREATMENTS LIMITED

COMPANY INFORMATION

Directors	B J Morgan C A Morgan S J Morgan
Secretary	B J Morgan
Company number	00926988
Registered office	Highfield Court Tollgate Chandlers Ford Eastleigh Hampshire SO53 3TY
Accountants	RSM UK Tax and Accounting Limited Chartered Accountants Highfield Court Tollgate Chandlers Ford Eastleigh Hampshire SO53 3TY
Business address	Unit 10-11 Victory Trading Estate Kiln Road Portsmouth Hampshire PO3 5LP
Bankers	Lloyds Bank plc 38 London Road North End Portsmouth Hampshire PO2 0LR

GOSPORT METAL TREATMENTS LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2016**

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	3		756,027		682,257
Current assets					
Stocks		53,660		52,340	
Debtors	4	1,160,164		1,119,425	
Cash at bank and in hand		832,205		863,901	
		2,046,029		2,035,666	
Creditors: amounts falling due within one year	5	(228,010)		(201,222)	
Net current assets			1,818,019		1,834,444
Total assets less current liabilities			2,574,046		2,516,701
Creditors: amounts falling due after more than one year	6		(227,144)		(192,549)
Provisions for liabilities	8		(94,855)		(88,776)
Net assets			2,252,047		2,235,376
Capital and reserves					
Called up share capital	9		1,350		1,350
Profit and loss reserves			2,250,697		2,234,026
Total equity			2,252,047		2,235,376

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 December 2016 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.

GOSPORT METAL TREATMENTS LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2016

The financial statements were approved by the board of directors and authorised for issue on 14/08/17 and are signed on its behalf by:



.....
B J Morgan
Director

GOSPORT METAL TREATMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2015	1,350	2,135,811	2,137,161
Year ended 31 December 2015:			
Profit and total comprehensive income for the year	-	158,215	158,215
Dividends	-	(60,000)	(60,000)
Balance at 31 December 2015	1,350	2,234,026	2,235,376
Year ended 31 December 2016:			
Profit and total comprehensive income for the year	-	58,671	58,671
Dividends	-	(42,000)	(42,000)
Balance at 31 December 2016	1,350	2,250,697	2,252,047

GOSPORT METAL TREATMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Gosport Metal Treatments Limited is a private company limited by shares incorporated in England and Wales. The registered office is Highfield Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire, SO53 3TY.

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.

First time adoption of FRS102

These financial statements are the first financial statements of Gosport Metal Treatments 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 Gosport Metal Treatments Limited for the year ended 31 December 2015 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.

Turnover

The turnover shown in the profit and loss account represents the value of all goods and services sold during the year, less returns received, at selling price exclusive of Value Added Tax for the production of products and services in the precision engineering industry.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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 or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	Buildings at 4% straight line
Plant and machinery	10% straight line
Motor vehicles	25% reducing balance

GOSPORT METAL TREATMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

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.

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.

GOSPORT METAL TREATMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

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.

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 trade and other 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.

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

Derecognition of financial liabilities

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

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.

GOSPORT METAL TREATMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

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.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

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.

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.

GOSPORT METAL TREATMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 22 (2015 - 22).

3 Tangible fixed assets

	Land and buildings Freehold	Plant and Motor vehicles machinery		Total
	£	£	£	£
Cost				
At 1 January 2016	101,257	2,296,107	52,769	2,450,133
Additions	5,650	148,886	34,628	189,164
Disposals	-	-	(52,769)	(52,769)
At 31 December 2016	106,907	2,444,993	34,628	2,586,528
Depreciation and impairment				
At 1 January 2016	53,099	1,673,933	40,844	1,767,876
Depreciation charged in the year	3,440	91,372	8,657	103,469
Eliminated in respect of disposals	-	-	(40,844)	(40,844)
At 31 December 2016	56,539	1,765,305	8,657	1,830,501
Carrying amount				
At 31 December 2016	50,368	679,688	25,971	756,027
At 31 December 2015	48,158	622,174	11,925	682,257

4 Debtors

	2016	2015
	£	£
Amounts falling due within one year:		
Trade debtors	475,002	430,642
Amounts due from group undertakings	667,614	667,614
Other debtors	17,548	21,169
	1,160,164	1,119,425

GOSPORT METAL TREATMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

5 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	88,136	92,436
Other taxation and social security	26,940	21,525
Other creditors	112,934	87,261
	<u>228,010</u>	<u>201,222</u>

Other creditors include hire purchase agreements of £91,405 (2015 - £79,277) which are secured against the assets to which they relate.

6 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Other creditors	<u>227,144</u>	<u>192,549</u>

Hire purchase agreements of £227,144 (2015 - £192,549) are secured upon the assets to which they relate.

7 Provisions for liabilities

	2016 £	2015 £
Deferred tax liabilities	<u>94,855</u>	<u>88,776</u>
	<u>94,855</u>	<u>88,776</u>

8 Deferred taxation

The major deferred tax liabilities and assets recognised by the company are:

	Liabilities 2016 £	Liabilities 2015 £
Balances:		
Accelerated capital allowances	<u>94,855</u>	<u>88,776</u>

GOSPORT METAL TREATMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

8 Deferred taxation (Continued)

	2016 £
Movements in the year:	
Liability at 1 January 2016	88,776
Charge to profit or loss	6,079
	<u>94,855</u>
Liability at 31 December 2016	<u>94,855</u>

The deferred tax liability set out above is expected to reverse and relates to accelerated capital allowances that are expected to mature within the same period.

9 Called up share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
1,350 Ordinary Shares of £1 each	1,350	1,350
	<u>1,350</u>	<u>1,350</u>

10 Operating lease commitments

Lessee

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

	2016 £	2015 £
Within one year	5,164	5,164
Between one and five years	5,164	10,328
	<u>10,328</u>	<u>15,492</u>

11 Directors' transactions

As at 31 December 2016, B J Morgan and S Morgan, company directors, were owed £11,875 (2015 - owed £1,989) and £nil (2015 - £nil) respectively, by the company. The movement relates to drawings and expenses paid on behalf of the director. This amount is included within other creditors (2015 - other debtors).

All transactions were on an arms length basis.