

Company Registration No. 00926988 (England and Wales)

**GOSPORT METAL TREATMENTS LIMITED**

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

**PAGES FOR FILING WITH REGISTRAR**

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**GOSPORT METAL TREATMENTS LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2017**

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	4		694,753		756,027
<b>Current assets</b>					
Stocks		164,500		53,660	
Debtors	5	1,527,180		1,160,164	
Cash at bank and in hand		981,733		832,205	
		<u>2,673,413</u>		<u>2,046,029</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(339,696)</u>		<u>(228,010)</u>	
<b>Net current assets</b>			<u>2,333,717</u>		<u>1,818,019</u>
<b>Total assets less current liabilities</b>			<u>3,028,470</u>		<u>2,574,046</u>
<b>Creditors: amounts falling due after more than one year</b>	7		(136,008)		(227,144)
<b>Provisions for liabilities</b>	9		<u>(93,689)</u>		<u>(94,855)</u>
<b>Net assets</b>			<u><u>2,798,773</u></u>		<u><u>2,252,047</u></u>
<b>Capital and reserves</b>					
Called up share capital	10		1,350		1,350
Profit and loss reserves			<u>2,797,423</u>		<u>2,250,697</u>
<b>Total equity</b>			<u><u>2,798,773</u></u>		<u><u>2,252,047</u></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 December 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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**

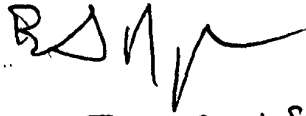
**STATEMENT OF FINANCIAL POSITION (CONTINUED)**

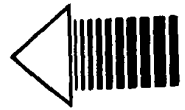
**AS AT 31 DECEMBER 2017**

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

.....  
B J Morgan  
Director

  
27.09.18



# GOSPORT METAL TREATMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies

#### Company information

Gosport Metal Treatments Limited is a private company limited by shares and is registered and 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.

#### Turnover

The turnover shown in the statement of comprehensive income 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 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

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 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.

# GOSPORT METAL TREATMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies (Continued)

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 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' 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 #tErm20, cash and bank balances and amounts owed by group members, 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.

# GOSPORT METAL TREATMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 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.

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.

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.

##### **Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

# GOSPORT METAL TREATMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 1 Accounting policies (Continued)

##### 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 leased asset are consumed.

#### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 22 (2016 - 22).

#### 3 Directors' remuneration

	2017 £	2016 £
Remuneration paid to directors	99,216	94,810

#### 4 Tangible fixed assets

	Land and buildings Freehold £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2017	106,907	2,444,993	34,628	2,586,528
Additions	-	54,442	51,291	105,733
Disposals	(91,171)	-	-	(91,171)
At 31 December 2017	15,736	2,499,435	85,919	2,601,090
<b>Depreciation and impairment</b>				
At 1 January 2017	56,539	1,765,305	8,657	1,830,501
Depreciation charged in the year	629	111,221	19,316	131,166
Eliminated in respect of disposals	(55,330)	-	-	(55,330)
At 31 December 2017	1,838	1,876,526	27,973	1,906,337
<b>Carrying amount</b>				
At 31 December 2017	13,898	622,909	57,946	694,753
At 31 December 2016	50,368	679,688	25,971	756,027

# GOSPORT METAL TREATMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 5 Debtors

	2017	2016
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	393,723	475,002
Amounts owed by group undertakings	667,614	667,614
Other debtors	465,843	17,548
	<u>1,527,180</u>	<u>1,160,164</u>

#### 6 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	112,851	88,136
Corporation tax	58,141	-
Other taxation and social security	44,608	26,940
Other creditors	124,096	112,934
	<u>339,696</u>	<u>228,010</u>

Other creditors include hire purchase agreements of £91,136 (2016 - £91,405) which are secured against the assets to which they relate.

#### 7 Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Other creditors	<u>136,008</u>	<u>227,144</u>

Other creditors include hire purchase agreements of £136,008 (2016 - £227,144) which are secured against the assets to which they relate.

#### 8 Deferred taxation

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

	Liabilities 2017	Liabilities 2016
	£	£
<b>Balances:</b>		
Accelerated capital allowances	<u>93,689</u>	<u>94,855</u>



# GOSPORT METAL TREATMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 8 Deferred taxation (Continued)

	2017 £
<b>Movements in the year:</b>	
Liability at 1 January 2017	94,855
Credit to profit or loss	(1,166)
Liability at 31 December 2017	<u>93,689</u>

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

#### 9 Provisions for liabilities

	2017 £	2016 £
Deferred tax liabilities	8 <u>93,689</u>	<u>94,855</u>

#### 10 Called up share capital

	2017 £	2016 £
<b>Ordinary share capital Issued and fully paid</b>		
1,350 Ordinary shares of £1 each	1,350	1,350
	<u>1,350</u>	<u>1,350</u>

#### 11 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:

	2017 £	2016 £
Within one year	5,164	5,164
Between one and five years	-	5,164
	<u>5,164</u>	<u>10,328</u>

#### 12 Directors' transactions

As at 31 December 2017, the company directors were owed £22,086 (2016 - £11,875) by the company. The movement relates to company expenses paid by the directors. These amounts are included within other creditors.