

**REGISTERED NUMBER: 01466425 (England and Wales)**

**Strategic Report, Report of the Directors and  
Financial Statements for the Year Ended 31 December 2018  
for  
Picow Electrical Engineering Limited**

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for the Year Ended 31 December 2018**

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**Picow Electrical Engineering Limited**

**Company Information  
for the Year Ended 31 December 2018**

**DIRECTORS:**

D K Allen  
M E James  
B Heath  
P T Allen  
S P Brennan

**SECRETARY:**

M E James

**REGISTERED OFFICE:**

1 Station House  
Lowlands Road  
Runcorn  
Cheshire  
WA7 5TQ

**REGISTERED NUMBER:**

01466425 (England and Wales)

**SENIOR STATUTORY AUDITOR:**

Lee Warburton BA FCA

**AUDITORS:**

Voisey & Co  
Statutory Auditor  
8 Winmarleigh Street  
Warrington  
Cheshire  
WA1 1JW

**Strategic Report  
for the Year Ended 31 December 2018**

The directors present their strategic report for the year ended 31 December 2018.

**REVIEW OF BUSINESS**

The company continues to develop the client base and as in previous years has performed well and produced outstanding work which continues to underpin the excellent relationship with clients and emphasises the importance of good working practice.

The directors have worked to ensure that the company continues to operate to the highest standards.

The investment in staff training and health & safety continues to be an important part of the business, as a result of the investment and working practices the future order book is excellent and the directors are confident that the company will achieve comparable results in the next year.

The directors are pleased to report the continued development of the company in the year resulting in an increase in turnover of 28.48%, due to the continuing development of client relationships.

There has been a reduction in both achievable tender margins and project lead in times which have now become even shorter as clients become more cost conscious with increased material and labour costs.

**Key Performance Indicators**

The directors monitor progress with reference to the following key performance indicators:

	<b>2018</b>	2017	Definition and method of calculation
Gross Profit as a % of turnover	<b>27.66%</b>	31.34%	Profit before administration and exceptional costs.
Liquidity ratio	<b>188.67%</b>	162.08%	Current assets divided by current liabilities.
Average Debtor Days	<b>75 Days</b>	86 Days	Average time taken for debtor payments

**Strategic Report  
for the Year Ended 31 December 2018**

**PRINCIPAL RISKS AND UNCERTAINTIES**

The following are the principal risks identified by the directors and the measures taken to address them.

**People**

The retention and recruitment of staff is a key challenge for the business. Defined recruitment and retention policies exist centrally and are managed to ensure the company is competitive and attracts the best candidates.

**Health & Safety**

The company has further enhanced the attention it gives to health and safety investing heavily to ensure performance remains excellent in this critical area.

**Performance**

The company is continually reviewing procedures and systems to ensure the work performed is of the highest quality. The company is ISO 9001 accredited, and is regularly audited to ensure compliance.

The company is also accredited by NIC and ECA to perform electrical engineering and Link-up to allow railway maintenance work.

**Financial**

The company's principal financial liabilities are trade creditors and trade accruals. The company's principal financial assets are bank balances, work in progress and trade debtors.

The financial liabilities and assets are controlled by the directors to ensure sufficient funds are available for the company to meet its business needs. The financial liabilities and assets are stated at fair value and after allowance for doubtful receivables.

**ON BEHALF OF THE BOARD:**

M E James - Director

18 September 2019

**Report of the Directors  
for the Year Ended 31 December 2018**

The directors present their report with the financial statements of the company for the year ended 31 December 2018.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of electrical contractors.

**DIVIDENDS**

The total distribution of dividends for the year ended 31 December 2018 will be £ 1,200,000 .

**DIRECTORS**

M E James has held office during the whole of the period from 1 January 2018 to the date of this report.

Other changes in directors holding office are as follows:

B Heath - appointed 7 December 2018

P T Allen and S P Brennan were appointed as directors after 31 December 2018 but prior to the date of this report.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Voisey & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

M E James - Director

18 September 2019

**Report of the Independent Auditors to the Members of  
Picow Electrical Engineering Limited (Registered number: 01466425)**

**Opinion**

We have audited the financial statements of Picow Electrical Engineering Limited (the 'company') for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of  
Picow Electrical Engineering Limited (Registered number: 01466425)**

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Lee Warburton BA FCA (Senior Statutory Auditor)  
for and on behalf of Voisey & Co  
Statutory Auditor  
8 Winmarleigh Street  
Warrington  
Cheshire  
WA1 1JW

18 September 2019



**Statement of Comprehensive Income  
for the Year Ended 31 December 2018**

	Notes	31.12.18 £	31.12.17 £
<b>TURNOVER</b>		13,656,593	10,652,571
Cost of sales		<u>(9,879,762)</u>	<u>(7,314,027)</u>
<b>GROSS PROFIT</b>		3,776,831	3,338,544
Administrative expenses		<u>(2,507,023)</u>	<u>(1,129,747)</u>
		1,269,808	2,208,797
Other operating income		<u>4,627</u>	<u>4,474</u>
<b>OPERATING PROFIT</b>	4	1,274,435	2,213,271
Interest receivable and similar income		<u>303</u>	<u>560</u>
		1,274,738	2,213,831
Interest payable and similar expenses	5	<u>(3,248)</u>	<u>(2,686)</u>
<b>PROFIT BEFORE TAXATION</b>		1,271,490	2,211,145
Tax on profit	6	<u>(254,755)</u>	<u>(433,432)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		1,016,735	1,777,713
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>1,016,735</u>	<u>1,777,713</u>

The notes form part of these financial statements

**Picow Electrical Engineering Limited (Registered number: 01466425)**

**Balance Sheet  
31 December 2018**

	Notes	31.12.18 £	£	31.12.17 £	£
<b>FIXED ASSETS</b>					
Tangible assets	8		28,548		22,305
<b>CURRENT ASSETS</b>					
Stocks	9	150,054		81,943	
Debtors	10	4,087,660		5,612,982	
Cash at bank		<u>447,478</u>		<u>545,951</u>	
		4,685,192		6,240,876	
<b>CREDITORS</b>					
Amounts falling due within one year	11	<u>2,483,294</u>		<u>3,850,600</u>	
<b>NET CURRENT ASSETS</b>			<u>2,201,898</u>		<u>2,390,276</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			2,230,446		2,412,581
<b>PROVISIONS FOR LIABILITIES</b>	14		<u>5,424</u>		<u>4,294</u>
<b>NET ASSETS</b>			<u><u>2,225,022</u></u>		<u><u>2,408,287</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		1,000		1,000
Retained earnings	16		<u>2,224,022</u>		<u>2,407,287</u>
<b>SHAREHOLDERS' FUNDS</b>			<u><u>2,225,022</u></u>		<u><u>2,408,287</u></u>

The financial statements were approved by the Board of Directors on 18 September 2019 and were signed on its behalf by:

M E James - Director

**Statement of Changes in Equity  
for the Year Ended 31 December 2018**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2017</b>	1,000	2,429,574	2,430,574
<b>Changes in equity</b>			
Dividends	-	(1,800,000)	(1,800,000)
Total comprehensive income	-	1,777,713	1,777,713
<b>Balance at 31 December 2017</b>	<u>1,000</u>	<u>2,407,287</u>	<u>2,408,287</u>
<b>Changes in equity</b>			
Dividends	-	(1,200,000)	(1,200,000)
Total comprehensive income	-	1,016,735	1,016,735
<b>Balance at 31 December 2018</b>	<u>1,000</u>	<u>2,224,022</u>	<u>2,225,022</u>

**Notes to the Financial Statements  
for the Year Ended 31 December 2018**

**1. STATUTORY INFORMATION**

Picow Electrical Engineering 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.

**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" 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.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

**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.

The key assumptions concerning the future and other key sources of estimation include uncertainties at the reporting date, which may have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial periods, are discussed below.

**Turnover**

Turnover comprises the fair value of work executed in respect of provision of services and construction contracts supplied to external customers, excluding VAT. Turnover from contracts is recognised in accordance with the company's accounting policy on construction contracts (see below).

**Construction contracts**

Where the outcome of a 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. Where the outcome of a contract cannot be estimated reliably, revenue is only recognised to the extent that it is probable that it will be recovered. Profit is only recognised on a construction contract when the final outcome can be assessed with reasonable certainty and expected losses are recognised immediately.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2018

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.

Plant and machinery	- 25% on cost and 15% on cost
Fixtures and fittings	- 15% on cost
Motor vehicles	- 25% on cost

**Stocks and work in progress**

Stocks and work in progress 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.

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.

**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.

**Hire purchase and leasing commitments**

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.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2018

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.

**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.

**Employee benefits**

The costs of the 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

	31.12.18	31.12.17
	£	£
Wages and salaries	4,406,012	3,360,530
Social security costs	430,948	341,665
Other pension costs	78,860	265,026
	<u>4,915,820</u>	<u>3,967,221</u>

The average number of employees during the year was as follows:

	31.12.18	31.12.17
Directors	2	2
Administration	5	5
Direct	110	85
	<u>117</u>	<u>92</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2018

3. **EMPLOYEES AND DIRECTORS - continued**

	31.12.18	31.12.17
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

The number of directors to whom retirement benefits were accruing was as follows:

Defined benefit schemes	<u>3</u>	<u>3</u>
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4. **OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	31.12.18	31.12.17
	£	£
Hire of plant and machinery	165,961	110,774
Other operating leases	111,917	83,749
Depreciation - owned assets	11,297	8,088
Profit on disposal of fixed assets	-	(8,900)
Auditors' remuneration	12,750	12,000
Other non- audit services	<u>17,973</u>	<u>23,204</u>

5. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.12.18	31.12.17
	£	£
Bank interest	<u>3,248</u>	<u>2,686</u>

6. **TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	31.12.18	31.12.17
	£	£
Current tax:		
UK corporation tax	253,625	435,562
Deferred tax	1,130	(2,130)
Tax on profit	<u>254,755</u>	<u>433,432</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2018

6. **TAXATION - continued**

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.18 £	31.12.17 £
Profit before tax	<u>1,271,490</u>	<u>2,211,145</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.250%)	241,583	425,645
Effects of:		
Expenses not deductible for tax purposes	13,228	7,779
Capital allowances in excess of depreciation	(1,186)	(1,636)
Deferred tax	1,130	2,130
marginal rate of tax		
Adjustment due to change in tax rate	-	(486)
Total tax charge	<u>254,755</u>	<u>433,432</u>

7. **DIVIDENDS**

	31.12.18 £	31.12.17 £
Final	<u>1,200,000</u>	<u>1,800,000</u>

8. **TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 January 2018	95,883	94,698	37,300	227,881
Additions	<u>1,290</u>	-	<u>16,250</u>	<u>17,540</u>
At 31 December 2018	<u>97,173</u>	<u>94,698</u>	<u>53,550</u>	<u>245,421</u>
<b>DEPRECIATION</b>				
At 1 January 2018	90,843	90,508	24,225	205,576
Charge for year	<u>3,092</u>	<u>652</u>	<u>7,553</u>	<u>11,297</u>
At 31 December 2018	<u>93,935</u>	<u>91,160</u>	<u>31,778</u>	<u>216,873</u>
<b>NET BOOK VALUE</b>				
At 31 December 2018	<u>3,238</u>	<u>3,538</u>	<u>21,772</u>	<u>28,548</u>
At 31 December 2017	<u>5,040</u>	<u>4,190</u>	<u>13,075</u>	<u>22,305</u>

9. **STOCKS**

	31.12.18 £	31.12.17 £
Work-in-progress	<u>150,054</u>	<u>81,943</u>



Notes to the Financial Statements - continued  
for the Year Ended 31 December 2018

10. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.18	31.12.17
	£	£
Trade debtors	2,811,316	2,511,404
Amounts owed by group undertakings	1,269,858	3,095,290
Other debtors	100	-
Prepayments and accrued income	6,386	6,288
	<u>4,087,660</u>	<u>5,612,982</u>

11. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.18	31.12.17
	£	£
Trade creditors	1,110,781	535,185
Tax	251,899	434,740
Social security and other taxes	302,990	503,057
Accrued expenses and deferred income	817,624	2,377,618
	<u>2,483,294</u>	<u>3,850,600</u>

12. **LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.18	31.12.17
	£	£
Within one year	68,635	68,635
Between one and five years	174,313	174,313
In more than five years	57,739	126,374
	<u>300,687</u>	<u>369,322</u>

13. **SECURED DEBTS**

There is a debenture with the bank formally charged over all the assets of the company.

14. **PROVISIONS FOR LIABILITIES**

	31.12.18	31.12.17
	£	£
Deferred tax		
Accelerated capital allowances	<u>5,424</u>	<u>4,294</u>

	Deferred tax
	£
Balance at 1 January 2018	4,294
Charge to Statement of Comprehensive Income during year	<u>1,130</u>
Balance at 31 December 2018	<u>5,424</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2018**

**15. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.18 £	31.12.17 £
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

**16. RESERVES**

	Retained earnings £
At 1 January 2018	2,407,287
Profit for the year	1,016,735
Dividends	<u>(1,200,000)</u>
At 31 December 2018	<u>2,224,022</u>

**17. PENSION COMMITMENTS**

The company operates a defined contribution scheme. The assets of which are held separately from the assets of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £78,860 (2017: £265,026)

**18. ULTIMATE PARENT COMPANY**

Picow Engineering Group Limited. is regarded by the directors as being the company's ultimate parent company.

**19. RELATED PARTY DISCLOSURES**

During the year, the company paid rent for premises of £29,750 (2017 £27,271) to a pension fund of which D Allen and B Heath are beneficiaries.

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