

REGISTERED NUMBER: SC023232 (Scotland)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2018

FOR

LANARKSHIRE WELDING COMPANY LIMITED

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for the Year Ended 28 FEBRUARY 2018

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LANARKSHIRE WELDING COMPANY LIMITED

COMPANY INFORMATION
for the Year Ended 28 FEBRUARY 2018

DIRECTORS:

A W McDonald
M A McDonald
A D McDonald
D E Pearson
A R Clark
J W Hett

SECRETARY:

J W Hett

REGISTERED OFFICE:

John Street
Wishaw
Lanarkshire
ML2 7TQ

REGISTERED NUMBER:

SC023232 (Scotland)

AUDITORS:

Thomas Barrie & Co LLP
Statutory Auditor
Chartered Accountants
Atlantic House
1a Cadogan Street
Glasgow
G2 6QE

STATEMENT OF FINANCIAL POSITION
28 FEBRUARY 2018

2017			Notes	2018	
£	£			£	£
897,564		FIXED ASSETS			
		Tangible assets	4		862,382
		CURRENT ASSETS			
	105,323	Stocks		187,732	
	1,207,365	Debtors	5	801,854	
	1,006,579	Cash at bank and in hand		835,424	
	<u>2,319,267</u>			<u>1,825,010</u>	
		CREDITORS			
	1,586,087	Amounts falling due within one year	6	<u>1,026,120</u>	
<u>733,180</u>		NET CURRENT ASSETS			<u>798,890</u>
1,630,744		TOTAL ASSETS LESS CURRENT LIABILITIES			1,661,272
(21,199)		PROVISIONS FOR LIABILITIES			(23,873)
<u>(215,407)</u>		ACCRUALS AND DEFERRED INCOME			<u>(212,650)</u>
<u>1,394,138</u>		NET ASSETS			<u>1,424,749</u>
		CAPITAL AND RESERVES			
40,024		Called up share capital			40,024
50,048		Capital redemption reserve			50,048
148,324		Other reserves			148,324
<u>1,155,742</u>		Retained earnings			<u>1,186,353</u>
<u>1,394,138</u>		SHAREHOLDERS' FUNDS			<u>1,424,749</u>

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

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

The financial statements were approved by the Board of Directors on 3 October 2018 and were signed on its behalf by:

A W McDonald - Director

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 28 FEBRUARY 2018

1. STATUTORY INFORMATION

Lanarkshire Welding Company Limited is a private company, limited by shares, registered in Scotland, registration number SC023232. The registered office is John Street, Wishaw, Lanarkshire, ML2 7TQ.

The presentation currency of the financial statements is Pounds Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of 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.

Significant judgements and estimates

In preparing these financial statements, the directors are required to make judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The following judgements and estimates have had the most significant effects on amounts recognised in the financial statements:

Fixed Assets

The estimates and assumptions made to determine asset lives require judgements to be made as regards useful lives and residual values. The useful lives and residual values of the company's financial assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on management experience with similar assets. The depreciation rates being applied are outlined below.

Work in progress

Work in progress is valued at the lower of cost and net realisable value. It includes a share of overheads and the estimated profit earned to the year end, using the percentage completion method, and taking into account any anticipated losses.

Turnover

Turnover is measured at the fair value of consideration received or receivable, taking into account the amount of any discounts and rebates allowed by the entity, but excluding value added tax and other sales taxes.

Services

Income from welding and steel fabrication services mainly relates to construction contracts. Each contract is reviewed both pre and post year end, with an appropriate element of the estimated profit, calculated on the percentage completed method, being reflected in the accounts.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Land and buildings	- 1% on cost
Plant and machinery etc	- 33% on cost, 25% on cost, 25% on reducing balance and 10% on cost

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress includes all direct expenditure, an appropriate proportion of fixed and variable overheads, and a profit element based on the stage of completion of contracts at the year end. Where a contract is known to be loss making, the full contract loss is recognised within work in progress at the year end.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 28 FEBRUARY 2018

2. ACCOUNTING POLICIES - continued

Financial instruments

The company has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash and cash equivalents comprises cash balances. Bank overdrafts that are payable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, 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 statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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 for the year are charged to the profit and loss account.

Short term employee benefits

Short term employee benefits, including holiday pay, are recognised as an expense in profit and loss in the period in which they are incurred. A liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 28 FEBRUARY 2018

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 62 (2017 - 70) .

4. TANGIBLE FIXED ASSETS

	Totals £	Land and buildings £	Plant and machinery etc £
COST			
At 1 March 2017	1,926,475	1,029,368	897,107
Additions	49,778	-	49,778
Disposals	(55,329)	-	(55,329)
At 28 February 2018	<u>1,920,924</u>	<u>1,029,368</u>	<u>891,556</u>
DEPRECIATION			
At 1 March 2017	1,028,911	299,829	729,082
Charge for year	81,058	9,189	71,869
Eliminated on disposal	(51,427)	-	(51,427)
At 28 February 2018	<u>1,058,542</u>	<u>309,018</u>	<u>749,524</u>
NET BOOK VALUE			
At 28 February 2018	<u>862,382</u>	<u>720,350</u>	<u>142,032</u>
At 28 February 2017	<u>897,564</u>	<u>729,539</u>	<u>168,025</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	690,339	1,029,391
Other debtors	<u>111,515</u>	<u>177,974</u>
	<u>801,854</u>	<u>1,207,365</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Bank loans and overdrafts	-	220,158
Trade creditors	356,761	216,755
Taxation and social security	507,485	551,159
Other creditors	<u>161,874</u>	<u>598,015</u>
	<u>1,026,120</u>	<u>1,586,087</u>

7. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Martin Greig BA CA (Senior Statutory Auditor)
for and on behalf of Thomas Barrie & Co LLP

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 28 FEBRUARY 2018

8. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

During the year, interest free advances were made to the directors. These were repayable on demand.

Opening balance - £100,000

Total advances and credits during the year - £50,000

Amounts repaid during the year - £150,000

Closing balance - £nil

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.