

REGISTERED NUMBER: 01733698 (England and Wales)

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2017
FOR
ALLSWAGE UK LIMITED**

ALLSWAGE UK LIMITED (REGISTERED NUMBER: 01733698)

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FOR THE YEAR ENDED 30TH JUNE 2017**

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ALLSWAGE UK LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2017

DIRECTORS: DJ West
NM West
PJ Feasey
Miss C L West
A P Crawley

SECRETARY: PJ Feasey

REGISTERED OFFICE: c/o Fields,
2nd Floor, Landchard House
Victoria Street
West Bromwich
West Midlands
B70 8ER

REGISTERED NUMBER: 01733698 (England and Wales)

ACCOUNTANTS: Fields
2nd Floor
Landchard House
Victoria Street
West Bromwich
West Midlands
B70 8ER

BANKERS: Lloyds Bank Plc
35-37 Church Street
Wednesfield
Wolverhampton
West Midlands
WV11 1SS

ALLSWAGE UK LIMITED (REGISTERED NUMBER: 01733698)

BALANCE SHEET
30TH JUNE 2017

| | Notes | 2017 £ | £ | 2016 £ | £ |
|--|-------|----------------|------------------|----------------|------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 5 | | 113,386 | | 135,034 |
| CURRENT ASSETS | | | | | |
| Stocks | | 322,467 | | 384,977 | |
| Debtors | 6 | 346,353 | | 383,635 | |
| Cash at bank and in hand | | <u>39,693</u> | | <u>17,336</u> | |
| | | 708,513 | | 785,948 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 7 | <u>971,088</u> | | <u>945,671</u> | |
| NET CURRENT LIABILITIES | | | (262,575) | | (159,723) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | (149,189) | | (24,689) |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 8 | | (9,439) | | (173,581) |
| PROVISIONS FOR LIABILITIES | | | (20,016) | | (22,327) |
| NET LIABILITIES | | | (178,644) | | (220,597) |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | | | 50 | | 50 |
| Capital redemption reserve | | | 50 | | 50 |
| Retained earnings | | | (178,744) | | (220,697) |
| SHAREHOLDERS' FUNDS | | | (178,644) | | (220,597) |

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30th June 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 30th June 2017 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

continued...

ALLSWAGE UK LIMITED (REGISTERED NUMBER: 01733698)

BALANCE SHEET - continued
30TH JUNE 2017

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 6th June 2018 and were signed on its behalf by:

P J Feasey - Director

The notes form part of these financial statements

ALLSWAGE UK LIMITED (REGISTERED NUMBER: 01733698)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2017**

1. STATUTORY INFORMATION

Allswage UK 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.

The financial statements are prepared in sterling which is the functional currency of the company and are rounded to the nearest £1.

2. STATEMENT OF COMPLIANCE

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.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

This is the first year in which the financial statements have been prepared under FRS 102 (Section 1A). The last financial statements under previous UK GAAP were for the period 1st January 2015 to 30th June 2016 and the date of transition to FRS 102 (Section 1A) was 1st January 2015.

The comparative figures, for the period 1st January 2015 to 30th June 2016, are not entirely comparable.

The transition to FRS 102 Section 1A small entities has resulted in a small number of changes in accounting policies to those used previously. The nature of these changes has had an impact on the opening equity and profit for the comparative period.

Going Concern

Although the company's balance sheet at 30th June 2017 is showing an excess of liabilities over assets, this excess is lower than the amounts owed by it to Allswage UK Properties Limited, its holding company, and to individual members of the board of directors of Allswage UK Limited. All of the above parties have confirmed that they will not withdraw funds owed to them by the company until it is in a sufficiently strong financial position to allow this. Accordingly, the directors believe that the going concern basis remains appropriate in the preparation of these financial statements.

Preparation of consolidated financial statements

The company's former subsidiary, S. H. Service Hydraulics Limited, went into liquidation in January 2017 and ceased to be treated as a subsidiary at that point.

The financial statements contain information about Allswage UK Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken the option under Section 398 of the Companies Act 2006 not to prepare consolidated financial statements.

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities as at the reporting date and the amounts reported

for turnover and expenses during the period. The nature of estimating means that actual outcomes could differ from the original estimates.

The principal accounting policies and the judgements and estimates that have the most significant effect on amounts recognised in the financial statements are stated below. continued...

ALLSWAGE UK LIMITED (REGISTERED NUMBER: 01733698)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2017**

3. ACCOUNTING POLICIES - continued

Turnover

Turnover is the amount derived from the sale of goods and services falling within the company's ordinary activities (excluding Value Added Tax).

Turnover from the provision of goods is recognised when the risks and rewards of ownership of goods have been transferred to the customer. The risks and rewards of ownership of goods are deemed to have been transferred when the goods are shipped to, or are picked up by, the customer. Turnover from services is recognised when the service has been performed.

Tangible fixed assets

Depreciation of tangible fixed assets is calculated to write off the cost of the various assets over their anticipated useful lives. The method applied and the rates applicable are:-

| | |
|-----------------------|----------------------|
| Plant and equipment | 15% reducing balance |
| Motor vehicles | 25% reducing balance |
| Fixtures and fittings | 15% reducing balance |
| Computer equipment | 25% on cost |

Stocks

Stock has been valued by the directors at the lower of cost and estimated selling price less cost to sell, and consists of direct materials, labour and attributable overheads. Cost is determined using the first in first out method.

The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Financial assets, are assessed for indicators of impairment at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount the company would receive for the asset if it was sold at the balance sheet date.

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 balance sheet date.

ALLSWAGE UK LIMITED (REGISTERED NUMBER: 01733698)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2017**

3. ACCOUNTING POLICIES - continued

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.

Foreign currencies

In accordance with the terms of the relevant contracts all transactions in foreign currencies are settled at the exchange rate which applied at the time of the contract.

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange differences are taken into account in arriving at the operating result.

Leases and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the agreement on an effective interest rate basis.

Rentals paid under operating leases are charged to the profit and loss account 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.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and comprises cash at bank and in hand and bank overdrafts. In the statement of financial position bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Basic financial assets, which include debtors 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 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.

Basic financial liabilities

Basic financial liabilities, including 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 receipts

discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business

from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not,

they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and

subsequently measured at amortised cost using the effective interest rate.

continued...

ALLSWAGE UK LIMITED (REGISTERED NUMBER: 01733698)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2017****3. ACCOUNTING POLICIES - continued****Invoice discounting**

The company operated an invoice discounting agreement during the period. Because of the terms under which this agreement operates the directors are of the opinion that a separate presentation is appropriate. Under this presentation

debtors are shown gross within trade debtors until they are cleared by the customer. The invoice discounting creditor is

included within bank overdrafts and represents amounts advanced to the company plus the banks charges less amounts

received from debtors in respect of the discounted invoices.

Charges are recognised in the profit and loss account as they accrue.

Taxation

The companies in the group receive or surrender their losses within the group. Group members do not pay for losses surrendered or received.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 16 (2016 - 19).

5. TANGIBLE FIXED ASSETS

| | Plant and machinery | Fixtures and fittings | Motor vehicles | Computer equipment | Totals |
|------------------------|--------------------------------|--------------------------------------|---------------------------|-------------------------------|----------------|
| | £ | £ | £ | £ | £ |
| COST | | | | | |
| At 1st July 2016 | 128,754 | 45,819 | 123,227 | 51,392 | 349,192 |
| Additions | 3,100 | - | 23,995 | - | 27,095 |
| Disposals | (14,277) | - | (29,400) | (1,729) | (45,406) |
| At 30th June 2017 | <u>117,577</u> | <u>45,819</u> | <u>117,822</u> | <u>49,663</u> | <u>330,881</u> |
| DEPRECIATION | | | | | |
| At 1st July 2016 | 87,620 | 16,009 | 67,299 | 43,230 | 214,158 |
| Charge for year | 5,566 | 4,470 | 17,408 | 3,880 | 31,324 |
| Eliminated on disposal | (7,148) | - | (19,110) | (1,729) | (27,987) |
| At 30th June 2017 | <u>86,038</u> | <u>20,479</u> | <u>65,597</u> | <u>45,381</u> | <u>217,495</u> |
| NET BOOK VALUE | | | | | |
| At 30th June 2017 | <u>31,539</u> | <u>25,340</u> | <u>52,225</u> | <u>4,282</u> | <u>113,386</u> |
| At 30th June 2016 | <u>41,134</u> | <u>29,810</u> | <u>55,928</u> | <u>8,162</u> | <u>135,034</u> |

ALLSWAGE UK LIMITED (REGISTERED NUMBER: 01733698)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2017

5. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

| | Motor vehicles £ |
|-----------------------|------------------------|
| COST | |
| At 1st July 2016 | 55,877 |
| Additions | 23,995 |
| Transfer to ownership | <u>(21,979)</u> |
| At 30th June 2017 | <u>57,893</u> |
| DEPRECIATION | |
| At 1st July 2016 | 21,616 |
| Charge for year | 11,632 |
| Transfer to ownership | <u>(10,251)</u> |
| At 30th June 2017 | <u>22,997</u> |
| NET BOOK VALUE | |
| At 30th June 2017 | <u>34,896</u> |
| At 30th June 2016 | <u>34,261</u> |

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2017 £ | 2016 £ |
|------------------------------------|----------------|----------------|
| Trade debtors | 297,248 | 337,820 |
| Amounts owed by group undertakings | - | 33,457 |
| Other debtors | <u>49,105</u> | <u>12,358</u> |
| | <u>346,353</u> | <u>383,635</u> |

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2017 £ | 2016 £ |
|------------------------------------|----------------|----------------|
| Bank loans and overdrafts | 210,544 | 165,023 |
| Hire purchase contracts | 12,640 | 11,230 |
| Trade creditors | 223,311 | 590,967 |
| Amounts owed to group undertakings | 264,443 | - |
| Taxation and social security | 107,363 | 113,955 |
| Other creditors | <u>152,787</u> | <u>64,496</u> |
| | <u>971,088</u> | <u>945,671</u> |

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2017 £ | 2016 £ |
|------------------------------------|--------------|----------------|
| Hire purchase contracts | 9,439 | 4,757 |
| Amounts owed to group undertakings | - | 168,824 |
| | <u>9,439</u> | <u>173,581</u> |

ALLSWAGE UK LIMITED (REGISTERED NUMBER: 01733698)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2017****9. SECURED DEBTS**

The following secured debts are included within creditors:

| | 2017 | 2016 |
|-------------------------|-----------------------|----------------|
| | £ | £ |
| Bank overdrafts | 210,544 | 165,023 |
| Hire purchase contracts | <u>22,079</u> | <u>15,987</u> |
| | <u>232,623</u> | <u>181,010</u> |

10. CONTROLLING PARTY AND ULTIMATE CONTROLLING PARTY

The controlling party is Allswage UK Properties Limited, the parent company.

The ultimate controlling party is DJ West.

11. CONTINGENCIES

There are uncertainties surrounding the amount that may ultimately be recovered from the liquidator of S.H. Service Hydraulics Limited in respect of Allswage UK Limited's loan to that company. During the year the directors estimated that a further amount of £15,027 should be reserved making a total amount of £210,279 (2016: £195,252) being reserved as irrecoverable but, inherently, this estimate may prove to be incorrect.

The directors of Allswage UK Properties Limited are currently attempting to come to an agreement with the liquidator of S.H. Service Hydraulics Limited about Group balances, both payable and recoverable and there is a possibility that, either as a result of these negotiations or because of the recoverability of non-group debtors, that further amounts may need to be written off or that a larger than expected dividend may be received from the liquidator. The directors do not have sufficient information to make any informed estimate of the relative likelihood of either of the above uncertain events.

