

REGISTERED NUMBER: 02696624 (England and Wales)

Financial Statements
for the Year Ended 31 March 2019
for
Topseal Systems Limited



Contents of the Financial Statements
for the Year Ended 31 March 2019

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	3

Topseal Systems Limited
Company Information
for the Year Ended 31 March 2019

DIRECTORS: Mr J R Gill
Mr F Brown
Mr M S Chialton

SECRETARY: Mrs C L Gill

REGISTERED OFFICE: Giants Hall
Standish Wood Lane South
Off Willow Road, Beech Hill
Wigan
Lancashire
WN6 8RY

REGISTERED NUMBER: 02696624 (England and Wales)

SENIOR STATUTORY AUDITOR: Martin Garry BA (Hons), FCA

AUDITORS: McDade Roberts Accountants Limited
Chartered Accountants and Statutory Auditor
316 Blackpool Road
Fulwood
Preston
Lancashire
PR2 3AE

BANKERS: Svenska Handelsbanken AB
Unit 5
Beecham Court
Wigan
WN3 6PR

Balance Sheet
31 March 2019

	Notes	31.3.19 £	£	31.3.18 £	£
FIXED ASSETS					
Intangible assets	4		-		-
Tangible assets	5		612,192		630,032
			<u>612,192</u>		<u>630,032</u>
CURRENT ASSETS					
Stocks		40,422		48,210	
Debtors	6	169,477		226,358	
Cash at bank and in hand		442,041		541,941	
		<u>651,940</u>		<u>816,509</u>	
CREDITORS					
Amounts falling due within one year	7	206,389		224,317	
		<u></u>		<u></u>	
NET CURRENT ASSETS			445,551		592,192
TOTAL ASSETS LESS CURRENT LIABILITIES			1,057,743		1,222,224
CREDITORS					
Amounts falling due after more than one year	8		(300,933)		(333,466)
PROVISIONS FOR LIABILITIES	11		(24,609)		(124,753)
NET ASSETS			<u>732,201</u>		<u>764,005</u>
CAPITAL AND RESERVES					
Called up share capital			100		100
Retained earnings			732,101		763,905
SHAREHOLDERS' FUNDS			<u>732,201</u>		<u>764,005</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 Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors on 17 July 2019 and were signed on its behalf by:

Mr M S Chialton - Director

Mr F Brown - Director

Mr J R Gill - Director

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 March 2019

1. STATUTORY INFORMATION

Topseal Systems 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 principle place of business is Unit 4, Saltergate Business Park, Burley Bank Road, Harrogate, North Yorkshire, HG3 2BX.

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" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in pounds sterling which is the functional currency of the group.

Significant judgements and estimates

In the preparation of the financial statements, the directors have made judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenses during the year. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the company's accounting policies a critical accounting judgement has been made to recognise provisions for liabilities. Details are provided in the notes to the accounts.

Turnover

Turnover represents the invoice value of goods and services provided by the company during the period, net of Value Added Tax and trade discounts.

Turnover also includes the income receivable by the company from the sale of Installation Guarantee Protection to customers. This protection guarantees the customer for up to 25 years from the date of installation for any defects proven from the fault of installation or fixing procedures. If certain conditions are met, the company is obliged to repair the defect free of charge to the customers.

Goodwill

The goodwill acquired on a business acquisition has been fully written off as there is no ongoing business and therefore no ongoing value.

Tangible fixed assets depreciation

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

Freehold property	- in accordance with the property lease
Short leasehold	- 25% on cost
Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

The estimated useful life of the property is 20 years from the date of acquisition. Land is not depreciated.

Tangible fixed assets recognition

Tangible fixed assets are initially recognised at cost. After initial recognition, tangible assets are included at cost less any accumulated depreciation

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

2. ACCOUNTING POLICIES - continued

Stocks

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

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.

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.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Provision for liabilities

Provisions for the expected costs of maintenance under guarantees are charged against profits when products have been invoiced. The effect of the time value of money is not considered material and therefore provisions are not discounted.

Where necessary specific provisions are provided for based on if the directors consider there to be a present obligation as a result of a past event and where a transfer of economic benefits is probable to settle the obligation. Provisions are measured at the best estimate of the amount required to settle the obligation at the reporting date.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

2. ACCOUNTING POLICIES - continued

Financial instruments

Financial assets and 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 entity after deducting all of its financial liabilities.

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 reference to the repayment terms.

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 effective interest method, less any impairment.

Going concern

The financial statements have been prepared on a going concern basis. The directors are of the opinion that the company will continue its business in the foreseeable future.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 12 (2018 - 12).

4. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 April 2018 and 31 March 2019	40,000
AMORTISATION	
At 1 April 2018 and 31 March 2019	40,000
NET BOOK VALUE	
At 31 March 2019	-
At 31 March 2018	-

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

5. TANGIBLE FIXED ASSETS

	Freehold property £	Short leasehold £	Plant and machinery £
COST			
At 1 April 2018	596,099	25,763	192,053
Additions	16,273	-	-
Disposals	-	-	(7,212)
At 31 March 2019	612,372	25,763	184,841
DEPRECIATION			
At 1 April 2018	44,208	6,441	174,218
Charge for year	14,160	4,831	3,239
Eliminated on disposal	-	-	(5,575)
At 31 March 2019	58,368	11,272	171,882
NET BOOK VALUE			
At 31 March 2019	554,004	14,491	12,959
At 31 March 2018	551,891	19,322	17,835
	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 April 2018	5,625	64,575	884,115
Additions	-	-	16,273
Disposals	-	-	(7,212)
At 31 March 2019	5,625	64,575	893,176
DEPRECIATION			
At 1 April 2018	2,904	26,312	254,083
Charge for year	680	9,566	32,476
Eliminated on disposal	-	-	(5,575)
At 31 March 2019	3,584	35,878	280,984
NET BOOK VALUE			
At 31 March 2019	2,041	28,697	612,192
At 31 March 2018	2,721	38,263	630,032

Included in cost of land and buildings is freehold land of £341,600 (2018 - £341,600) which is not depreciated.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.19	31.3.18
	£	£
Trade debtors	158,994	201,157
Other debtors	976	1,000
Prepayments	9,507	24,201
	<u>169,477</u>	<u>226,358</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.19	31.3.18
	£	£
Bank loans and overdrafts	32,533	32,533
Trade creditors	78,324	100,469
Tax	17,088	14,845
Social security and other taxes	9,748	9,017
VAT	43,991	35,056
Other creditors	5,836	2,504
Accruals and deferred income	1,431	-
Accrued expenses	17,438	29,893
	<u>206,389</u>	<u>224,317</u>

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

	31.3.19	31.3.18
	£	£
Bank loans - 1-2 years	32,533	32,533
Bank loans - 2-5 years	130,133	130,133
Bank loans more 5 yr by instal	138,267	170,800
	<u>300,933</u>	<u>333,466</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans more 5 yr by instal	<u>138,267</u>	<u>170,800</u>

9. LEASING AGREEMENTS

10. SECURED DEBTS

The following secured debts are included within creditors:

	31.3.19	31.3.18
	£	£
Bank loans	<u>333,466</u>	<u>365,999</u>

Svenska Handelsbanken Ab hold a fixed charge dated 19 May 2014 over the business premises at Units 1-5 Hookstone Chase. The fixed charge contains a negative pledge.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

11. PROVISIONS FOR LIABILITIES

	31.3.19 £	31.3.18 £
Deferred tax		
Accelerated capital allowances	4,130	4,753
Other provisions	20,479	120,000
	<u>24,609</u>	<u>124,753</u>
	Deferred tax £	Other provisions £
Balance at 1 April 2018	4,753	120,000
Provided during year	(623)	(99,521)
Balance at 31 March 2019	<u>4,130</u>	<u>20,479</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of excess of taxation allowances over depreciation on fixed assets.

During the prior year the company made a provision in respect of two separate claims made against it. One case was successfully defended and the provision recognised has now been reversed. The second case is ongoing and the provision is maintained in line with the accounting policy.

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

The Report of the Auditors was unqualified.

Martin Garry BA (Hons), FCA (Senior Statutory Auditor)
for and on behalf of McDade Roberts Accountants Limited

13. CONTINGENT LIABILITIES

The company has provided a guarantee to Handelsbanken Bank as part of the security given by the group to cover the banks indebtedness with G & B (North West) Limited, the parent company.

The total borrowings due as at 31 March 2019 by G & B (North West) Limited to Handelsbanken are disclosed in the parent company accounts.

14. RELATED PARTY DISCLOSURES

During the year the company had the following transactions with its parent company:

	2019 £	2018 £
Purchases of goods and services (net)	928,550	833,748
Amount owed at year end within trade creditors	67,110	67,801
Sales of goods and services (net)	1,042	396
Dividends paid	84,240	84,240
Purchase of fixed asset (net)	-	14,989
Amount included within trade debtors	15	-

15. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr & Mrs Gill and Mr & Mrs Brown.

This is by way of their shareholdings in the parent company.

The company is a subsidiary of G & B (North West) Limited, a company registered in United Kingdom.