

Goodflex Rubber Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 August 2017

Icke & Co Limited
Chartered Accountants
The Old Barn
Avoncroft Farm
Offenham
Evesham
Worcestershire
WR11 8RR

Goodflex Rubber Limited

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Goodflex Rubber Limited

Company Information

Directors

M F Dufty
Mrs V L Dufty
S D Smith

Company secretary

Mrs V L Dufty

Registered office

Unit 4
Weston Industrial Estate
Honeybourne
Evesham
Worcestershire
WR11 7QB

Accountants

Icke & Co Limited
Chartered Accountants
The Old Barn
Avoncroft Farm
Offenham
Evesham
Worcestershire
WR11 8RR

Goodflex Rubber Limited

Directors' Report for the Year Ended 31 August 2017

The directors present their report and the financial statements for the year ended 31 August 2017.

Directors of the company

The directors who held office during the year were as follows:

M F Dufty

Mrs V L Dufty

S D Smith

Principal activity

The principal activity of the company is the manufacture and supply of silicone rubber products

Business review

At the start of the 2016-17 financial period, the Goodflex Board of Directors allocated their largest ever budget to investing in capital equipment to ensure that the company was able to offer rubber hoses, mouldings and assemblies manufactured using state of the art machinery. This investment has now been fully rolled out and reflects in the end of year balance sheet where fixed assets have considerably increased in value - understandably at the expense of current assets.

This massive investment policy now means that Goodflex is able to offer a facility in the UK for testing out hoses in extreme environments, using the latest coolants, and with pulsating pressures on bespoke vibration platforms to fully replicate under bonnet test conditions. To our knowledge, no other UK hose facility has this in-house capability. This has been combined with our new raw materials processing machinery and a dedicated food quality production line, to allow Goodflex to continue to grow in the food and pharmaceutical sectors. Goodflex Rubber was the first rubber manufacturer in the UK to obtain ISO9001-2015 - again demonstrating how the company is dedicated to providing the ultimate product in terms of quality and cost effectiveness.

The introduction of new product lines, like bespoke calendered sheeting, viton lined silicon hoses and specialist ducting has meant that Goodflex has continued to expand its product range, to offer one of the widest ranges of materials in the hoses industry. Automechanika (UK) 2017 was the perfect exhibition for Goodflex to launch these new products, and the various sectors that visited the show expressed how delighted they were with Goodflex's innovation. Ultimately, the exhibition was a resounding success with five large, new accounts being secured, with the potential of still more to sign up.

Managing director, Mark Dufty, along with the rest of the Board of Directors is pleased to report that the 2017-18 forecast shows continued growth in sales, which in part arises from the investment twelve months ago in the new sales role of "Business Development Manager", which, combined with our continued capital investment, means that Goodflex's growth strategy is on target and will actually be surpassed. This growth has also been aided by the Gloucestershire "Seed Fund", funding from which has enabled the company to create new jobs in the region. The Directors would like to extend their thanks again for the support of the Fund.

So, in conclusion, the 2016-17 accounts attached to this report demonstrate that Goodflex's continued and controlled growth is being delivered effectively by the Board of Directors, and that by serving a diverse customer base covering multiple industrial sectors, Goodflex maintains the necessary stability and fortitude to continue to expand into the future.

Small companies provision statement

Goodflex Rubber Limited

Directors' Report for the Year Ended 31 August 2017

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 7 December 2017 and signed on its behalf by:

.....
M F Dufty
Director

**Chartered Accountants' Report to the Board of Directors on the
Preparation of the Unaudited Statutory Accounts of
Goodflex Rubber Limited
for the Year Ended 31 August 2017**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Goodflex Rubber Limited for the year ended 31 August 2017 as set out on pages [5](#) to [15](#) from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Goodflex Rubber Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Goodflex Rubber Limited and state those matters that we have agreed to state to the Board of Directors of Goodflex Rubber Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Goodflex Rubber Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Goodflex Rubber Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Goodflex Rubber Limited. You consider that Goodflex Rubber Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Goodflex Rubber Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

.....
Icke & Co Limited
Chartered Accountants
The Old Barn
Avoncroft Farm
Offenham
Evesham
Worcestershire
WR11 8RR

7 December 2017

Goodflex Rubber Limited

Profit and Loss Account for the Year Ended 31 August 2017

	Note	2017 £	2016 £
Turnover		2,667,671	2,508,427
Cost of sales		<u>(1,715,086)</u>	<u>(1,589,789)</u>
Gross profit		952,585	918,638
Administrative expenses		(333,557)	(341,563)
Other operating income		<u>68,660</u>	<u>1,949</u>
Operating profit		<u>687,688</u>	<u>579,024</u>
Income from other fixed asset investments		-	486
Other interest receivable and similar income		1,544	2,145
Interest payable and similar expenses		<u>-</u>	<u>193</u>
		<u>1,544</u>	<u>2,824</u>
Profit before tax	4	689,232	581,848
Taxation		<u>(82,538)</u>	<u>(65,989)</u>
Profit for the financial year		<u><u>606,694</u></u>	<u><u>515,859</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages [9](#) to [15](#) form an integral part of these financial statements.

Goodflex Rubber Limited

Statement of Comprehensive Income for the Year Ended 31 August 2017

	2017 £	2016 £
Profit for the year	<u>606,694</u>	<u>515,859</u>
Total comprehensive income for the year	<u><u>606,694</u></u>	<u><u>515,859</u></u>

The notes on pages [9](#) to [15](#) form an integral part of these financial statements.

Goodflex Rubber Limited

(Registration number: 03494345) Balance Sheet as at 31 August 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	6	186,767	92,453
Current assets			
Stocks	7	89,910	77,670
Debtors	8	662,406	744,731
Cash at bank and in hand		466,930	546,175
		<hr/> 1,219,246	<hr/> 1,368,576
Creditors: Amounts falling due within one year	9	<hr/> (402,512)	<hr/> (483,282)
Net current assets		<hr/> 816,734	<hr/> 885,294
Total assets less current liabilities		1,003,501	977,747
Provisions for liabilities		<hr/> (26,513)	<hr/> (7,453)
Net assets		<hr/> 976,988	<hr/> 970,294
Capital and reserves			
Called up share capital		50,000	50,000
Profit and loss account		<hr/> 926,988	<hr/> 920,294
Total equity		<hr/> 976,988	<hr/> 970,294

For the financial year ending 31 August 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on 7 December 2017 and signed on its behalf by:

.....
M F Dufty

Director

The notes on pages [9](#) to [15](#) form an integral part of these financial statements.

Goodflex Rubber Limited

Statement of Changes in Equity for the Year Ended 31 August 2017

	Share capital £	Profit and loss account £	Total £
At 1 September 2016	50,000	920,294	970,294
Profit for the year	-	606,694	606,694
Total comprehensive income	-	606,694	606,694
Dividends	-	(600,000)	(600,000)
At 31 August 2017	50,000	926,988	976,988
	Share capital £	Profit and loss account £	Total £
At 1 September 2015	50,000	1,270,868	1,320,868
Profit for the year	-	515,859	515,859
Total comprehensive income	-	515,859	515,859
Dividends	-	(866,433)	(866,433)
At 31 August 2016	50,000	920,294	970,294

The notes on pages [9](#) to [15](#) form an integral part of these financial statements.

Goodflex Rubber Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

Unit 4
Weston Industrial Estate
Honeybourne
Evesham
Worcestershire
WR11 7QB

These financial statements were authorised for issue by the Board on 7 December 2017.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:
The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Goodflex Rubber Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	15% straight line basis
Fixtures and fittings	15% straight line basis
Factory and office equipment	33% straight line basis
Motor vehicles	25% reducing balance basis
Leasehold improvements	10% straight line basis

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Has been fully written off over ten years

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Goodflex Rubber Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Goodflex Rubber Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 34 (2016 - 30).

4 Profit before tax

Arrived at after charging/(crediting)

	2017 £	2016 £
Depreciation expense	42,924	24,753

5 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 September 2016	1,000	1,000
At 31 August 2017	1,000	1,000
Amortisation		
At 1 September 2016	1,000	1,000
At 31 August 2017	1,000	1,000
Carrying amount		
At 31 August 2017	-	-

The aggregate amount of research and development expenditure recognised as an expense during the period is £Nil (2016 - £Nil).

Revalued assets for the year ended 31 August 2017

Revalued assets for the year ended 31 August 2016

Goodflex Rubber Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

6 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £
Cost or valuation				
At 1 September 2016	20,609	92,583	33,121	126,630
Additions	-	2,768	-	134,470
At 31 August 2017	20,609	95,351	33,121	261,100
Depreciation				
At 1 September 2016	2,061	59,789	21,393	97,247
Charge for the year	2,061	11,181	2,932	26,750
At 31 August 2017	4,122	70,970	24,325	123,997
Carrying amount				
At 31 August 2017	16,487	24,381	8,796	137,103
At 31 August 2016	18,548	32,794	11,728	29,383
				Total £
Cost or valuation				
At 1 September 2016				272,943
Additions				137,238
At 31 August 2017				410,181
Depreciation				
At 1 September 2016				180,490
Charge for the year				42,924
At 31 August 2017				223,414
Carrying amount				
At 31 August 2017				186,767
At 31 August 2016				92,453

Included within the net book value of land and buildings above is £16,487 (2016 - £18,548) in respect of short leasehold land and buildings.

Goodflex Rubber Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

7 Stocks

	2017 £	2016 £
Other inventories	89,910	77,670

8 Debtors

	Note	2017 £	2016 £
Trade debtors		526,928	611,301
Amounts owed by group undertakings and undertakings in which the company has a participating interest	12	1,887	-
Prepayments		22,682	22,708
Other debtors		110,909	110,722
		662,406	744,731

9 Creditors

Creditors: amounts falling due within one year

	2017 £	2016 £
Due within one year		
Trade creditors	149,207	145,476
Taxation and social security	97,373	72,672
Accruals and deferred income	33,935	72,844
Other creditors	121,997	192,290
	402,512	483,282

10 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	25,000	25,000	25,000	25,000
Ordinary A shares of £1 each	25,000	25,000	25,000	25,000
	50,000	50,000	50,000	50,000

Goodflex Rubber Limited

Notes to the Financial Statements for the Year Ended 31 August 2017

11 Dividends

Interim dividends paid

	2017 £	2016 £
Interim dividend of £12.00 (2016 - £17.33) per each Ordinary shares share	600,000	866,432
	<hr/>	<hr/>

12 Related party transactions

Directors' remuneration

The directors' remuneration for the year was as follows:

	2017 £	2016 £
Remuneration	16,180	16,080
Contributions paid to money purchase schemes	68,428	106,209
	<hr/>	<hr/>
	84,608	122,289
	<hr/>	<hr/>

Goodflex Rubber Limited

Detailed Profit and Loss Account for the Year Ended 31 August 2017

	2017 £	2016 £
Turnover (analysed below)	2,667,671	2,508,427
Cost of sales (analysed below)	<u>(1,715,086)</u>	<u>(1,589,789)</u>
Gross profit	<u>952,585</u>	<u>918,638</u>
Gross profit (%)	35.71%	36.62%
Administrative expenses		
Employment costs (analysed below)	(91,026)	(130,391)
Establishment costs (analysed below)	(69,348)	(60,607)
General administrative expenses (analysed below)	(155,841)	(134,327)
Finance charges (analysed below)	(1,168)	(971)
Depreciation costs (analysed below)	(16,174)	(17,465)
Other expenses (analysed below)	<u>-</u>	<u>2,198</u>
	(333,557)	(341,563)
Other operating income (analysed below)	<u>68,660</u>	<u>1,949</u>
Operating profit	<u>687,688</u>	<u>579,024</u>
Income from other fixed asset investments (analysed below)	-	486
Other interest receivable and similar income (analysed below)	1,544	2,145
Interest payable and similar charges (analysed below)	<u>-</u>	<u>193</u>
	<u>1,544</u>	<u>2,824</u>
Profit before tax	<u><u>689,232</u></u>	<u><u>581,848</u></u>

This page does not form part of the statutory financial statements.

Goodflex Rubber Limited

Detailed Profit and Loss Account for the Year Ended 31 August 2017

	2017 £	2016 £
Turnover		
Sale of goods, UK	<u>2,667,671</u>	<u>2,508,427</u>
Cost of sales		
Opening finished goods	(77,669)	(86,712)
Consumables	(52,228)	(52,520)
Purchases	(713,024)	(710,862)
Tooling costs	(53,971)	(68,820)
Closing finished goods	89,911	77,670
Wages and salaries (excluding directors)	(621,338)	(541,245)
Directors remuneration	(47,539)	(29,945)
Directors NIC (Employers)	(4,255)	(3,514)
Staff pensions (Defined contribution)	(6,384)	(4,249)
Third party items for resale	(109,062)	(79,731)
Death in service policy	(2,845)	(1,694)
Carriage	(75,512)	(59,402)
Commissions payable	-	(9,742)
Light, heat and power	(14,420)	(11,735)
Depreciation of plant and machinery	<u>(26,750)</u>	<u>(7,288)</u>
	<u>(1,715,086)</u>	<u>(1,589,789)</u>
Employment costs		
Directors remuneration	(16,180)	(16,080)
Directors NIC (Employers)	(1,702)	(2,521)
Directors pensions (Defined contribution)	(68,428)	(106,209)
Private health insurance	(1,901)	(1,599)
Death in service policy	(842)	(842)
Staff training	<u>(1,973)</u>	<u>(3,140)</u>
	<u>(91,026)</u>	<u>(130,391)</u>
Establishment costs		
Rent and rates	(53,189)	(48,687)
Insurance	(10,901)	(9,331)
Repairs and maintenance	<u>(5,258)</u>	<u>(2,589)</u>
	<u>(69,348)</u>	<u>(60,607)</u>

Goodflex Rubber Limited

Detailed Profit and Loss Account for the Year Ended 31 August 2017

	2017 £	2016 £
General administrative expenses		
Telephone and fax	(7,198)	(6,306)
Computer software and maintenance costs	(13,742)	(12,912)
Printing, postage and stationery	(5,518)	(4,579)
Sundry expenses	(9,510)	(11,347)
Motor expenses	(3,661)	(4,331)
Travel and subsistence	(23,524)	(20,913)
Advertising and marketing	(33,302)	(36,016)
Accountancy fees	(3,783)	(3,563)
Legal and professional fees	(55,603)	(34,360)
	<u>(155,841)</u>	<u>(134,327)</u>
Finance charges		
Bank charges	<u>(1,168)</u>	<u>(971)</u>
Depreciation costs		
Depreciation of short leasehold property	(2,061)	(2,061)
Depreciation of fixtures and fittings (owned)	(3,616)	(3,565)
Depreciation of motor vehicles (owned)	(2,932)	(4,476)
Depreciation of office equipment (owned)	(7,565)	(7,363)
	<u>(16,174)</u>	<u>(17,465)</u>
Other operating income		
Other operating income	<u>68,660</u>	<u>1,949</u>
Other interest receivable and similar income		
Bank interest receivable	<u>1,544</u>	<u>2,145</u>

This page does not form part of the statutory financial statements.