COMPANY REGISTRATION NUMBER: 02834956

Kespar Engineering Limited

Filleted Unaudited Abridged Financial Statements

31 December 2018

Kespar Engineering Limited

Abridged Statement of Financial Position

31 December 2018

	Note	2018 £	2018 £	2017 £
Fixed assets				
Tangible assets	**5**		**5,773,391**	5,813,399
Investments	**6**		**300,004**	300,004
			6,073,395	6,113,403
Current assets				
Stocks		**23,916**		32,240
Debtors		**542,469**		657,996
Cash at bank and in hand		**42,177**		10,492
		608,562		700,728
Creditors: amounts falling due within one year		**1,497,431**		1,316,827
Net current liabilities			**888,869**	616,099
Total assets less current liabilities			**5,184,526**	5,497,304
Creditors: amounts falling due after more than one year	**7**		**708,202**	1,082,301
Provisions				
Taxation including deferred tax			**30,338**	26,178
Net assets			**4,445,986**	4,388,825
Capital and reserves				
Called up share capital			**4,000**	4,000
Revaluation reserve			**3,111,256**	3,111,256
Profit and loss account			**1,330,730**	1,273,569
Shareholder funds			**4,445,986**	4,388,825

These abridged financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the abridged statement of comprehensive income has not been delivered.

For the year ending 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The member has not required the company to obtain an audit of its abridged financial statements for the year in question in accordance with section 476 ;
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of abridged financial statements .

Kespar Engineering Limited

Abridged Statement of Financial Position *(continued)*

31 December 2018

All of the members have consented to the preparation of the abridged statement of comprehensive income and the abridged statement of financial position for the year ending 31 December 2018 in accordance with Section 444(2A) of the Companies Act 2006.

These abridged financial statements were approved by the board of directors and authorised for issue on 15 July 2019 , and are signed on behalf of the board by:

P Parkes

Director

Company registration number: 02834956

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Johnson House, Bilston Industrial Estate, Oxford Street, Bilston, WV14 7EG.

2. Statement of compliance

These abridged financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The abridged financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The abridged financial statements are prepared in sterling, which is the functional currency of the entity.

Consolidation

The company has taken advantage of the option not to prepare consolidated abridged financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that 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 that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Depreciation	-	2% straight line
Depreciation	-	25% reducing balance
Depreciation	-	25% reducing balance
Depreciation	-	25% straight line

Depreciation on land and buildings only relates to those properties not treated as investment properties and revalued accordingly at each year end.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses. Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted. Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

Investments in joint ventures

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses. Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted. Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the abridged statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the abridged statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

Financial 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. Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability. Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 23 (2017: 28).

5. Tangible assets

	£
Cost	
At 1 January 2018 and 31 December 2018	**7,318,161**
Depreciation	
At 1 January 2018	**1,504,762**
Charge for the year	**40,008**
At 31 December 2018	**1,544,770**
Carrying amount	
At 31 December 2018	**5,773,391**
At 31 December 2017	5,813,399

Tangible assets held at valuation

The property revaluation is based upon a formal valuation of open market value carried out in 2012, with a desk top review in 2016 indicating the current value now disclosed. In addition previously undeveloped land on the site can be made available for development which has increased its value.

6. Investments

	£
Cost	
At 1 January 2018 and 31 December 2018	**300,004**
Impairment	
At 1 January 2018 and 31 December 2018	**–**
Carrying amount	
At 31 December 2018	**300,004**
At 31 December 2017	300,004

7. Creditors: amounts falling due after more than one year

Included within creditors: amounts falling due after more than one year is an amount of £Nil (2017: £267,970) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The Term Bank Loan is repayable over 15 years and interest is charged at 1.74% above Base Rate.

8. Director's advances, credits and guarantees

During the year the director entered into the following advances and credits with the company:

2018

	Balance brought forward	Advances/ (credits) to the director	Amounts repaid	**Balance outstanding**
	£	£	£	**£**
P Parkes	(18,303)	–	14,122	**(4,181)**

2017

	Balance brought forward	Advances/ (credits) to the director	Amounts repaid	Balance outstanding
	£	£	£	£
P Parkes	(15,774)	(2,529)	–	(18,303)

9. Related party transactions

The company was under the control of Mr P Parkes . On the 22 December 2016 the Tang Industry Limited group was created and a share for share exchange took place with Mr Parkes for his shares in the company in exchange for an issue of shares in the parent. Mr Parkes is sole shareholder and director of Tang Industries Limited. The other group members are SDF Automotive Limited, a trading entity in the automotive forging sector, Anslow Forge Limited, a land management company, SDF Alutech Limited and Jobweld Fabrications Limited, both of whom are dormant. SDF Automotive Limited bought tools and dies from Kespar Engineering Limited during the year. All trading is at normal commercial rates and dealt with on an arms length basis. During the course of the year ended31 December 2018 Kespar Engineering Limited supplied tooling and dies to the value of £345,010 (2017 £363,415).

10. Controlling party

The immediate and ultimate parent undertaking is Tang Industries Limited, a company registered in England, at 1 George Street, Wolverhampton, West Midlands, WV2 4DG.