

**REGISTERED NUMBER: 03904224 (England and Wales)**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017  
FOR  
PRECONOMY LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2017**

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**PRECONOMY LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

<b>DIRECTORS:</b>	P W Ramsay N Giles
<b>SECRETARY:</b>	P W Ramsay
<b>REGISTERED OFFICE:</b>	Unit 1B Long Stoop Way Forest Town Mansfield Nottinghamshire NG19 0FQ
<b>REGISTERED NUMBER:</b>	03904224 (England and Wales)
<b>AUDITORS:</b>	Smith Emmerson Audit Limited H5 Ash Tree Court Nottingham Business Park Nottingham Nottinghamshire NG8 6PY

**STATEMENT OF FINANCIAL POSITION**  
**31 DECEMBER 2017**

	Notes	31/12/17 £	£	31/12/16 £	£
<b>FIXED ASSETS</b>					
Tangible assets	4		845,771		856,296
<b>CURRENT ASSETS</b>					
Stocks		927,339		1,003,931	
Debtors	5	1,583,904		1,638,813	
Cash at bank and in hand		<u>1,057,686</u>		<u>671,094</u>	
		3,568,929		3,313,838	
<b>CREDITORS</b>					
Amounts falling due within one year	6	<u>1,617,932</u>		<u>1,842,930</u>	
<b>NET CURRENT ASSETS</b>			<u>1,950,997</u>		<u>1,470,908</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			2,796,768		2,327,204
<b>CREDITORS</b>					
Amounts falling due after more than one year	7		77,208		83,073
<b>NET ASSETS</b>			<u>2,719,560</u>		<u>2,244,131</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	10		6,874,921		6,874,921
Retained earnings			<u>(4,155,361)</u>		<u>(4,630,790)</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>2,719,560</u>		<u>2,244,131</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 22 March 2018 and were signed on its behalf by:

N Giles - Director

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

1. **STATUTORY INFORMATION**

Preconomy 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.

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.

**Turnover**

Turnover is recognised to the extent that the company obtains the right to consideration in exchange for its performance, which is considered to be when goods are despatched to the customer. Turnover is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

**Tangible fixed assets**

Depreciation on tangible fixed assets is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a reducing balance basis over its expected useful life as follows:

Plant, machinery, fixtures and fittings	- 50%, 25%, 20% and 10% on a reducing balance basis
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**Stocks**

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

**Work in progress**

Work in progress is valued on the basis of cost of direct materials (including any progress payments on account) and labour plus attributable overheads based on a normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

**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.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of

financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**2. ACCOUNTING POLICIES - continued**

**Hire purchase agreements**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs**

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 in the period to which they relate.

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 63 (2016 - 67) .

**4. TANGIBLE FIXED ASSETS**

	Plant, machinery, fixtures & fittings £
<b>COST</b>	
At 1 January 2017	2,780,541
Additions	156,653
Disposals	<u>(97,986)</u>
At 31 December 2017	<u>2,839,208</u>
<b>DEPRECIATION</b>	
At 1 January 2017	1,924,245
Charge for year	142,954
Eliminated on disposal	<u>(73,762)</u>
At 31 December 2017	<u>1,993,437</u>
<b>NET BOOK VALUE</b>	
At 31 December 2017	<u>845,771</u>
At 31 December 2016	<u>856,296</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**4. TANGIBLE FIXED ASSETS - continued**

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

	Plant, machinery, fixtures & fittings £
<b>COST</b>	
At 1 January 2017	407,465
Additions	97,800
Disposals	<u>(12,159)</u>
At 31 December 2017	<u>493,106</u>
<b>DEPRECIATION</b>	
At 1 January 2017	120,456
Charge for year	60,101
Eliminated on disposal	<u>(8,417)</u>
At 31 December 2017	<u>172,140</u>
<b>NET BOOK VALUE</b>	
At 31 December 2017	<u>320,966</u>
At 31 December 2016	<u>287,009</u>

**5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31/12/17 £	31/12/16 £
Trade debtors	1,459,236	1,530,794
Other debtors	<u>124,668</u>	<u>108,019</u>
	<u>1,583,904</u>	<u>1,638,813</u>

**6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31/12/17 £	31/12/16 £
Hire purchase contracts (see note 8)	85,445	101,348
Trade creditors	1,197,597	1,289,677
Taxation and social security	208,834	297,201
Other creditors	<u>126,056</u>	<u>154,704</u>
	<u>1,617,932</u>	<u>1,842,930</u>

**7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31/12/17 £	31/12/16 £
Hire purchase contracts (see note 8)	<u>77,208</u>	<u>83,073</u>



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**8. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	31/12/17	31/12/16
	£	£
Net obligations repayable:		
Within one year	85,445	101,348
Between one and five years	<u>77,208</u>	<u>83,073</u>
	<u>162,653</u>	<u>184,421</u>
	Non-cancellable operating leases	
	31/12/17	31/12/16
	£	£
Within one year	134,693	133,700
Between one and five years	<u>143,492</u>	<u>253,282</u>
	<u>278,185</u>	<u>386,982</u>

**9. SECURED DEBTS**

The following secured debts are included within creditors:

	31/12/17	31/12/16
	£	£
Hire purchase contracts	<u>162,653</u>	<u>184,421</u>

The hire purchase contracts are secured on the plant and equipment to which they relate.

**10. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal	31/12/17	31/12/16
		value:	£	£
68,749,210	Ordinary shares	£0.10	<u>6,874,921</u>	<u>6,874,921</u>

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

The Report of the Auditors was unqualified.

Paul Emmerson BSc ACA (Senior Statutory Auditor)  
for and on behalf of Smith Emmerson Audit Limited

**12. PENSION COMMITMENTS**

The company operates a defined contribution pension scheme the assets of which are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company and amounted to £19,965 (2016: £19,512). At the year end accrued pension charges amounted to one month's contributions totalling £3,687 (2016: £3,880).

**13. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

At the balance sheet date, N Giles had an overdrawn directors loan account totalling £17,715 (2016: £9,999) and this amount is included in Other Debtors. An amount of £8,000 was advanced during the year. Interest has been charged at 3% resulting in a charge of £516 for the year.