STRATEGIC REPORT, REPORT OF THE DIRECTORS AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 FOR LEWMAX PROGRAMMING LIMITED

TUESDAY



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COMPANIES HOUSE

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LEWMAX PROGRAMMING LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2016

DIRECTORS:	D A French M D Roberts
SECRETARY:	D A French
REGISTERED OFFICE:	Breakspear Park Breakspear Way Hemel Hempstead Hertfordshire HP2 4UL
REGISTERED NUMBER:	02954871 (England and Wales)
AUDITORS:	Martin Tiano & Company Limited Chartered Accountants and Statutory Auditors Chartwell House 292-294 Hale Lane Edgware Middlesex HA8 8NP

STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The directors present their strategic report for the year ended 31 August 2016.

REVIEW OF BUSINESS

The results for the year show pre-tax profits of £10,757 (2015 - £61,419) and turnover of £579,031 (2015 - £725,909).

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the company's strategies are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to competition, technology, and the state of the UK manufacturing base. The external commercial environment is expected to remain competitive and challenging for the foreseeable future. The directors are confident that the company will maintain its current level of performance. In the programming business there has been continued investment in new technology to ensure that the production process continues to be competitive. In the distribution business there is continued investment in people and systems in order to deliver an efficient service to the customers. This all serves to ensure the continued success of the company's businesses.

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

ON BEHALF OF THE BOARD:

D A French - Director

24 February 2017

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2016

The directors present their report with the financial statements of the company for the year ended 31 August 2016.

DIVIDENDS
The total distribution of dividends for the year ended 31 August 2016 will be £200,000.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 September 2015 to the date of this report.

D A French
M D Roberts

FINANCIAL INSTRUMENTS
The company's financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors and loans to the company. The main purpose of these instruments is to finance the company's operations. Due to the nature of the financial instruments used by the group, there is no exposure to price risk.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding, and flexibility through an overdraft facility. The company makes use of money market facilities, as appropriate.

The company has a loan from the related pension scheme, on which there is a variable rate of interest. The company manages the liquidity risk by ensuring that there are sufficient funds available to meet the payments due.

Trade debtors are managed for credit and cash flow risk by the strict application of policies over the credit offered to customers, and by regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts falling due.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2016

AUDITORS

The auditors, Martin Tiano & Company Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

D A French - Director

24 February 2017

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LEWMAX PROGRAMMING LIMITED

We have audited the financial statements of Lewmax Programming Limited for the year ended 31 August 2016 on pages six to eighteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 August 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Martin Tiano (Senior Statutory Auditor)
for and on behalf of Martin Tiano & Company Limited
Chartered Accountants and Statutory Auditors
Chartwell House
292-294 Hale Lane
Edgware
Middlesex
HA8 8NP

24 February 2017

INCOME STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	2015 £
TURNOVER	2	579,031	725,904
Cost of sales		367,806	392,752
GROSS PROFIT		211,225	333,152
Administrative expenses		197,560	270,730
OPERATING PROFIT	4	13,665	62,422
Interest payable and similar charges	5	2,908	1,003
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		10,757	61,419
Tax on profit on ordinary activities	6	(25,333)	36,058
PROFIT FOR THE FINANCIAL YEAR		36,090	25,361

The notes form part of these financial statements

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	2015 £
PROFIT FOR THE YEAR		36,090	25,361
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		36,090	25,361

The notes form part of these financial statements

BALANCE SHEET
31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
FIXED ASSETS					
Tangible assets	8		176,714		217,640
CURRENT ASSETS					
Debtors	9	120,941		132,594	
Cash at bank and in hand		73,561		330,558	
		194,502		463,152	
CREDITORS					
Amounts falling due within one year	10	97,114		196,014	
NET CURRENT ASSETS			97,388		267,138
TOTAL ASSETS LESS CURRENT LIABILITIES			274,102		484,778
CREDITORS					
Amounts falling due after more than one year	11		(30,238)		(70,831)
PROVISIONS FOR LIABILITIES	15		(26,179)		(32,352)
NET ASSETS			217,685		381,595
CAPITAL AND RESERVES					
Called up share capital	16		100		100
Retained earnings	17		217,585		381,495
SHAREHOLDERS' FUNDS			217,685		381,595

The financial statements were approved by the Board of Directors on 24 February 2017 and were signed on its behalf by:

x

D A French - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2016

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 September 2014	100	356,134	356,234
Changes in equity			
Total comprehensive income	-	25,361	25,361
Balance at 31 August 2015	100	381,495	381,595
Changes in equity			
Dividends	-	(200,000)	(200,000)
Total comprehensive income	-	36,090	36,090
Balance at 31 August 2016	100	217,585	217,685

The notes form part of these financial statements

1. 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" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial reporting standard 102 - reduced disclosure exemptions
The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Related party exemption
The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Changes in accounting policies
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. The company has adopted FRS 102 in these financial statements. Details of the transition to FRS 102 are disclosed in note 20 and on pages 16 to 18.

Turnover
Turnover represents amounts receivable from the sale of goods and services net of VAT and trade discounts.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	-	at varying rates on cost
Fixtures and fittings	-	at varying rates on cost

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. The deferred tax balance has not been discounted.

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet 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.

Hire purchase and leasing commitments
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.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2016	2015
	£	£
United Kingdom	382,324	541,842
Europe	196,707	184,062
	579,031	725,904

continued...

3. STAFF COSTS

	2016	2015
	£	£
Wages and salaries	240,424	262,554
Social security costs	20,172	21,064
	260,596	283,618

The average monthly number of employees during the year was as follows:

	2016	2015
Direct labour	10	10
Administration	2	3
	12	13

4. OPERATING PROFIT

The operating profit is stated after charging:

	2016	2015
	£	£
Hire of plant and machinery	42,000	42,000
Depreciation - owned assets	60,637	35,093
Depreciation - assets on hire purchase contracts	-	8,300
Auditors' remuneration	4,396	5,095
Foreign exchange differences	-	3,794
Directors' remuneration	57,120	62,000

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	£	£
Hire purchase	2,908	1,003

6. TAXATION

Analysis of the tax (credit)/charge
The tax (credit)/charge on the profit on ordinary activities for the year was as follows:

	2016	2015
	£	£
Current tax:		
UK corporation tax	8,160	-
Tax repayable in respect of research and development claim	(27,320)	-
Total current tax	(19,160)	-
Deferred tax	(6,173)	36,058
Tax on profit on ordinary activities	(25,333)	36,058

continued...

6. **TAXATION - continued**

Reconciliation of total tax (credit)/charge included in profit and loss
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2016	2015
	£	£
Profit on ordinary activities before tax	10,757	61,419
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	2,151	12,284
Effects of:		
Expenses not deductible for tax purposes	688	909
Depreciation in excess of capital allowances	5,321	-
Utilisation of tax losses	-	22,865
Adjustments to tax charge in respect of previous periods	(27,320)	-
Movement on deferred tax account	(6,173)	-
Total tax (credit)/charge	(25,333)	36,058

7. **DIVIDENDS**

	2016	2015
	£	£
Interim	200,000	-

8. **TANGIBLE FIXED ASSETS**

	Plant and machinery	Fixtures and fittings	Totals
	£	£	£
COST			
At 1 September 2015	786,221	37,934	824,155
Additions	19,586	125	19,711
At 31 August 2016	805,807	38,059	843,866
DEPRECIATION			
At 1 September 2015	570,397	36,118	606,515
Charge for year	59,956	681	60,637
At 31 August 2016	630,353	36,799	667,152
NET BOOK VALUE			
At 31 August 2016	175,454	1,260	176,714
At 31 August 2015	215,824	1,816	217,640

continued...

8. **TANGIBLE FIXED ASSETS - continued**

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

	Plant and machinery £
COST	
At 1 September 2015 and 31 August 2016	159,370
DEPRECIATION	
At 1 September 2015 and 31 August 2016	8,300
NET BOOK VALUE	
At 31 August 2016	151,070
At 31 August 2015	151,070

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

	2016 £	2015 £
Trade debtors	66,319	96,485
Tax	27,323	-
Prepayments and accrued income	27,299	36,109
	120,941	132,594

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

	2016 £	2015 £
Hire purchase contracts (see note 12)	40,593	42,498
Trade creditors	16,381	65,584
Amounts owed to group undertakings	13,361	19,223
Corporation tax	8,160	-
Social security and other taxes	13,185	18,663
Accruals and deferred income	5,434	50,046
	97,114	196,014

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

	2016 £	2015 £
Hire purchase contracts (see note 12)	30,238	70,831

continued...

12. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2016 £	2015 £
Gross obligations repayable:		
Within one year	45,607	45,507
Between one and five years	30,238	75,845
	75,845	121,352
Finance charges repayable:		
Within one year	5,014	3,009
Between one and five years	-	5,014
	5,014	8,023
Net obligations repayable:		
Within one year	40,593	42,498
Between one and five years	30,238	70,831
	70,831	113,329

13. SECURED DEBTS

The following secured debts are included within creditors:

	2016 £	2015 £
Hire purchase contracts	70,831	113,329

14. FINANCIAL INSTRUMENTS

The company's financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors and loans to the company. The main purpose of these instruments is to finance the company's operations. Due to the nature of the financial instruments used by the group, there is no exposure to price risk.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding, and flexibility through an overdraft facility. The company makes use of money market facilities, as appropriate.

The company has a loan from the related pension scheme, on which there is a variable rate of interest. The company manages the liquidity risk by ensuring that there are sufficient funds available to meet the payments due.

Trade debtors are managed for credit and cash flow risk by the strict application of policies over the credit offered to customers, and by regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts falling due.

15. PROVISIONS FOR LIABILITIES

	2016 £	2015 £
Deferred tax	26,179	32,352

continued...

15. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 September 2015	32,352
Credit to Income Statement during year	(6,173)
Balance at 31 August 2016	26,179

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016 £	2015 £
100	Ordinary	£1	100	100

17. RESERVES

	Retained earnings £
At 1 September 2015	381,495
Profit for the year	36,090
Dividends	(200,000)
At 31 August 2016	217,585

18. ULTIMATE PARENT COMPANY

Castello Holding Company Limited is regarded by the directors as being the company's ultimate parent company.

Castello Holding Company Limited prepares consolidated financial statements, copies of which can be obtained from Companies House.

19. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is D A French.

20. FIRST YEAR ADOPTION

This is the first year that the company has presented its results under FRS 102. The last financial statements under the UK GAAP were for the year ended 31 August 2015. The date of transition to FRS 102 was 1 September 2014.

RECONCILIATION OF EQUITY
1 SEPTEMBER 2014
(DATE OF TRANSITION TO FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets	7	49,616	-	49,616
CURRENT ASSETS				
Stocks	8	4,200	-	4,200
Debtors	9	127,857	-	127,857
Cash at bank and in hand		290,269	-	290,269
		422,326	-	422,326
CREDITORS				
Amounts falling due within one year	10	(115,708)	-	(115,708)
NET CURRENT ASSETS		306,618	-	306,618
TOTAL ASSETS LESS CURRENT LIABILITIES		356,234	-	356,234
NET ASSETS		356,234	-	356,234
CAPITAL AND RESERVES				
Called up share capital		100	-	100
Retained earnings		356,134	-	356,134
SHAREHOLDERS' FUNDS		356,234	-	356,234

The notes form part of these financial statements

continued...

RECONCILIATION OF EQUITY - continued
31 AUGUST 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets	7	217,640	-	217,640
CURRENT ASSETS				
Debtors	9	132,594	-	132,594
Cash at bank and in hand		330,558	-	330,558
		463,152	-	463,152
CREDITORS				
Amounts falling due within one year	10	(196,014)	-	(196,014)
NET CURRENT ASSETS		267,138	-	267,138
TOTAL ASSETS LESS CURRENT LIABILITIES		484,778	-	484,778
CREDITORS				
Amounts falling due after more than one year		(70,831)	-	(70,831)
PROVISIONS FOR LIABILITIES		(32,352)	-	(32,352)
NET ASSETS		381,595	-	381,595
CAPITAL AND RESERVES				
Called up share capital		100	-	100
Retained earnings		381,495	-	381,495
SHAREHOLDERS' FUNDS		381,595	-	381,595

The notes form part of these financial statements

RECONCILIATION OF PROFIT
FOR THE YEAR ENDED 31 AUGUST 2015

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	725,904	-	725,904
Cost of sales	(392,752)	-	(392,752)
GROSS PROFIT	333,152	-	333,152
Administrative expenses	(270,730)	-	(270,730)
OPERATING PROFIT	62,422	-	62,422
Interest payable and similar charges	(1,003)	-	(1,003)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	61,419	-	61,419
Tax on profit on ordinary activities	(36,058)	-	(36,058)
PROFIT FOR THE FINANCIAL YEAR	25,361	-	25,361

The notes form part of these financial statements