

# Autofour Precision Engineering Limited

Annual Report and Unaudited Financial Statements  
for the Year Ended 30 June 2020

Harbour Key Limited  
Midway House  
Herrick Way  
Staverton  
Cheltenham  
Gloucestershire  
GL51 6TQ

# **Autofour Precision Engineering Limited**

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# **Autofour Precision Engineering Limited**

## **Company Information**

<b>Directors</b>	Mr John Howard Davies Mr Malcolm David Burdock
<b>Company secretary</b>	Mr Malcolm David Burdock

<b>Registered office</b>	Unit 5 Alstone Lane Industrial Estate Alstone Lane Cheltenham Gloucestershire GL51 8HF
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<b>Accountants</b>	Harbour Key Limited Midway House Herrick Way Staverton Cheltenham Gloucestershire GL51 6TQ
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# Autofour Precision Engineering Limited

(Registration number: 01961199)

## Balance Sheet as at 30 June 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	<u>4</u>	823,712	868,147
<b>Current assets</b>			
Stocks		154,316	115,660
Debtors	<u>5</u>	601,792	513,905
Cash at bank and in hand		218,150	78,960
		974,258	708,525
<b>Creditors: Amounts falling due within one year</b>	<u>6</u>	(834,035)	(888,900)
<b>Net current assets/(liabilities)</b>		140,223	(180,375)
<b>Total assets less current liabilities</b>		963,935	687,772
<b>Creditors: Amounts falling due after more than one year</b>	<u>6</u>	(151,868)	-
<b>Provisions for liabilities</b>		(41,908)	(101,004)
<b>Net assets</b>		770,159	586,768
<b>Capital and reserves</b>			
Called up share capital		107,000	107,000
Capital redemption reserve		53,500	53,500
Revaluation reserve		279,992	267,972
Profit and loss account		329,667	158,296
<b>Shareholders' funds</b>		770,159	586,768

For the financial year ending 30 June 2020 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.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

**Autofour Precision Engineering Limited**

**(Registration number: 01961199)**

**Balance Sheet as at 30 June 2020**

Approved and authorised by the Board on 20 April 2021 and signed on its behalf by:

.....

Mr John Howard Davics  
Director

.....

Mr Malcolm David Burdock  
Company secretary and director

# **Autofour Precision Engineering Limited**

## **Notes to the Unaudited Financial Statements for the Year Ended 30 June 2020**

### **1 General information**

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

The principal place of business is the same as the registered office.

The address of its registered office is:

Unit 5 Alstone Lane Industrial Estate

Alstone Lane

Cheltenham

Gloucestershire

GL51 8HF

United Kingdom

These financial statements were authorised for issue by the Board on 20 April 2021.

### **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.

The presentational currency of the financial statements is British Pound £, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are round to the nearest £.

#### **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.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

# **Autofour Precision Engineering Limited**

## **Notes to the Unaudited Financial Statements for the Year Ended 30 June 2020**

### **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

### **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.

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 initially measured in the balance sheet at cost and subsequently measured at cost or valuations, 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 or revaluation of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Land and buildings leasehold	4% reducing balance
Leasehold improvements	10% and 25% reducing balance, 10% straight line
Plant and machinery	10% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

### **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.

# **Autofour Precision Engineering Limited**

## **Notes to the Unaudited Financial Statements for the Year Ended 30 June 2020**

### **Trade debtors**

Trade debtors are amounts due from customers for goods 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.

### **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.

### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

### **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.



# **Autofour Precision Engineering Limited**

## **Notes to the Unaudited Financial Statements for the Year Ended 30 June 2020**

### **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.

### **3 Staff numbers**

The average number of persons employed by the company (including directors) during the year, was 27 (2019 - 27).

# Autofour Precision Engineering Limited

## Notes to the Unaudited Financial Statements for the Year Ended 30 June 2020

### 4 Tangible assets

	Land and buildings Leasehold £	Leasehold improvements £	Furniture, fittings and equipment £	Motor vehicles £	Plant and machinery £	Total £
<b>Cost or valuation</b>						
At 1 July 2019	425,000	40,905	34,346	27,991	1,897,273	2,425,515
Additions	-	-	21,989	-	3,000	24,989
Disposals	-	-	(24,162)	-	(74,041)	(98,203)
At 30 June 2020	425,000	40,905	32,173	27,991	1,826,232	2,352,301
<b>Depreciation</b>						
At 1 July 2019	18,360	33,938	34,346	19,918	1,450,806	1,557,368
Charge for the year	16,266	2,593	1,837	2,018	46,710	69,424
Eliminated on disposal	-	-	(24,162)	-	(74,041)	(98,203)
At 30 June 2020	34,626	36,531	12,021	21,936	1,423,475	1,528,589
<b>Carrying amount</b>						
At 30 June 2020	390,374	4,374	20,152	6,055	402,757	823,712
At 30 June 2019	406,640	6,967	-	8,073	446,467	868,147

Included within the net book value of land and buildings above is £390,374 (2019 - £406,640) in respect of long leasehold land and buildings.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been a cost of £303,650 (2019 - £303,650), accumulated depreciation of £196,687 (2019 - £192,230) and a carrying value of £106,963 (2019 - £111,420).



# Autofour Precision Engineering Limited

## Notes to the Unaudited Financial Statements for the Year Ended 30 June 2020

### 5 Debtors

	Note	2020 £	2019 £
Trade debtors		556,088	450,699
Prepayments		24,514	23,626
Other debtors	<u>9</u>	<u>21,190</u>	<u>39,580</u>
		<u>601,792</u>	<u>513,905</u>

### 6 Creditors

#### Creditors: amounts falling due within one year

	Note	2020 £	2019 £
<b>Due within one year</b>			
Bank loans and overdrafts	<u>7</u>	16,593	210,478
Trade creditors		152,181	149,792
Taxation and social security		78,418	76,338
Other creditors	<u>9</u>	<u>586,843</u>	<u>452,292</u>
		<u>834,035</u>	<u>888,900</u>

Other creditors include £491,891 (2019: £402,552) in respect of a debt factoring arrangement. This is secured by a first charge over the company's book debts.

#### Due after one year

Loans and borrowings	<u>7</u>	<u>151,868</u>	<u>-</u>
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#### Creditors: amounts falling due after more than one year

	Note	2020 £	2019 £
<b>Due after one year</b>			
Loans and borrowings	<u>7</u>	<u>151,868</u>	<u>-</u>

# Autofour Precision Engineering Limited

## Notes to the Unaudited Financial Statements for the Year Ended 30 June 2020

### 7 Loans and borrowings

	2020 £	2019 £
<b>Non-current loans and borrowings</b>		
Bank borrowings	151,868	-
	2020 £	2019 £
<b>Current loans and borrowings</b>		
Bank borrowings	16,593	185,054
Hire purchase contracts	-	2,500
Other borrowings	-	22,924
	16,593	210,478

The mortgage is secured by a legal charge over the leasehold property and five parking spaces at the same address, and personal guarantees by the directors.

### 8 Obligations under leases and hire purchase contracts

#### Operating leases

The total of future minimum lease payments is as follows:

	2020 £	2019 £
Not later than one year	26,500	26,500

The amount of non-cancellable operating lease payments recognised as an expense during the year was £26,500 (2019 - £26,501).

### 9 Related party transactions

#### Transactions with directors

As the balance sheet date, the directors owed the company £21,190 (2019: owed by the company £39,580 ). The balance is payable on demand and no interest is charged on the outstanding amount.

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