

REGISTERED NUMBER: 03338081 (England and Wales)

Unaudited Financial Statements for the Year Ended 31 December 2018

for

RCV ENGINES LIMITED

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for the Year Ended 31 December 2018**

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RCV ENGINES LIMITED
Company Information
for the Year Ended 31 December 2018

Directors:

Mr J B Adkins
Mr S Gould
Mr E Hill
Mr K T Lawes
Dr B R Mason
Mr L J Gould

Registered office:

4 Telford Road
Ferndown Industrial Estate
Wimborne
Dorset
BH21 7QL

Registered number:

03338081 (England and Wales)

Accountants:

Haines Watts (Westbury) LLP
South Entrance
3rd Floor
37 - 41 Bedford Row
London
WC1R 4JH

Balance Sheet
31 December 2018

		2018		2017	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	4		98,418		75,365
Tangible assets	5		<u>5,823</u>		<u>7,035</u>
			104,241		82,400
Current assets					
Stocks		65,000		45,008	
Debtors	6	35,251		64,156	
Cash at bank and in hand		<u>115,430</u>		<u>32,210</u>	
		215,681		141,374	
Creditors					
Amounts falling due within one year (including convertible debt)	7	<u>80,794</u>		<u>38,547</u>	
Net current assets			<u>134,887</u>		<u>102,827</u>
Total assets less current liabilities			239,128		185,227
Creditors					
Amounts falling due after more than one year	8		<u>783,979</u>		<u>776,027</u>
Net liabilities			<u>(544,851)</u>		<u>(590,800)</u>
Capital and reserves					
Called up share capital	9		879,130		915,457
Share premium			1,579,795		1,543,468
Retained earnings			<u>(3,003,776)</u>		<u>(3,049,725)</u>
Shareholders' funds			<u>(544,851)</u>		<u>(590,800)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2018 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

Balance Sheet - continued
31 December 2018

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

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 12 September 2019 and were signed on its behalf by:

Mr E Hill - Director

**Notes to the Financial Statements
for the Year Ended 31 December 2018**

1. Statutory information

RCV Engines 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 Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of ten or twenty years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 10% on reducing balance

Stocks

Work in progress is valued at the lower of cost and net realisable value.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

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 balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Hire purchase and leasing commitments

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

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

2. Accounting policies - continued

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. Employees and directors

The average number of employees during the year was 5 (2017 - 9) .

4. Intangible fixed assets

	Patents and licences £
Cost	
At 1 January 2018	104,792
Additions	27,188
At 31 December 2018	<u>131,980</u>
Amortisation	
At 1 January 2018	29,427
Amortisation for year	4,135
At 31 December 2018	<u>33,562</u>
Net book value	
At 31 December 2018	<u>98,418</u>
At 31 December 2017	<u>75,365</u>

5. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Totals £
Cost			
At 1 January 2018 and 31 December 2018	<u>80,564</u>	<u>53,207</u>	<u>133,771</u>
Depreciation			
At 1 January 2018	73,531	53,205	126,736
Charge for year	1,210	2	1,212
At 31 December 2018	<u>74,741</u>	<u>53,207</u>	<u>127,948</u>
Net book value			
At 31 December 2018	<u>5,823</u>	<u>-</u>	<u>5,823</u>
At 31 December 2017	<u>7,033</u>	<u>2</u>	<u>7,035</u>

6. Debtors: amounts falling due within one year

	2018 £	2017 £
Trade debtors	19,625	30,827
Other debtors	15,626	33,329
	<u>35,251</u>	<u>64,156</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

7. Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	36,553	32,308
Taxation and social security	4,006	3,099
Other creditors	40,235	3,140
	<u>80,794</u>	<u>38,547</u>

Other creditors figure contains convertible loan notes that were issued on 26 May 2009. The notes are repayable or convertible into ordinary shares of the company.

The conversion price is £0.59 for each ordinary share at the date the convertible loan notes were issued.

If the notes have not been converted, they will be redeemed at par. Interest of 8% is accrued annually and will be paid on conversion or redemption date.

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

	2018	2017
	£	£
Other creditors	<u>783,979</u>	<u>776,027</u>

Other creditors include balance of salary and interest provided for a number of years which will only be paid to employees and directors at such time as the company is cash generative.

9. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018	2017
			£	£
3,373,832	Ordinary	£0.25	843,458	915,457
654,531	Ordinary	£0.0545	35,672	-
			<u>879,130</u>	<u>915,457</u>

During the year the shareholders passed a resolution to reduce the share capital of the company and issued a new class of shares, thereby removing the apparent underpayment of share capital.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

10. Share-based payment transactions

The company has in place a Share Option Scheme whereby options are granted to directors and employees to acquire ordinary shares of 25p each.

	Number of share options		Weighted average exercise price	
	2018 Number	2017 Number	2018 £	2017 £
Outstanding at 1 January	160,768	177,233	0.45	0.48
Expired during the year		(16,465)		2.48
Granted during the year	604,254		0.39	
Outstanding at 31 December	<u>765,022</u>	<u>160,768</u>	<u>0.40</u>	<u>0.45</u>
Exercisable at 31 December	<u>765,022</u>	<u>160,768</u>	<u>0.40</u>	<u>0.45</u>

The options outstanding at 31 December 2018 had an exercise price of £0.40 and a remaining contractual life of up to 4 years.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.