

RCV Engines Limited
Unaudited Financial Statements
for the Year Ended 31 December 2023

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for the year ended 31 December 2023**

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RCV Engines Limited
Company Information
for the year ended 31 December 2023

Directors:

Mr J B Adkins
Mr E Hill
Mr K T Lawes
Mr L J Gould

Registered office:

4 Telford Road
Ferndown Industrial Estate
Wimborne
Dorset
BH21 7QL

Registered number:

03338081 (England and Wales)

Accountants:

Cooper Parry Advisory Limited
New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

Balance Sheet
31 December 2023

	Notes	£	2023 £	£	2022 £
Fixed assets					
Intangible assets	4		157,635		129,880
Tangible assets	5		<u>64,020</u>		<u>29,791</u>
			221,655		159,671
Current assets					
Stocks		430,462		249,765	
Debtors	6	110,583		98,438	
Cash at bank and in hand		<u>50,380</u>		<u>120,952</u>	
		591,425		469,155	
Creditors					
Amounts falling due within one year	7	<u>605,538</u>		<u>494,086</u>	
Net current liabilities			<u>(14,113)</u>		<u>(24,931)</u>
Total assets less current liabilities			207,542		134,740
Creditors					
Amounts falling due after more than one year	8		<u>113,181</u>		<u>829,752</u>
Net assets/(liabilities)			<u>94,361</u>		<u>(695,012)</u>
Capital and reserves					
Called up share capital	11		918,698		879,130
Share premium	12		1,595,227		1,579,795
Retained earnings	12		<u>(2,419,564)</u>		<u>(3,153,937)</u>
Shareholders' funds			<u>94,361</u>		<u>(695,012)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2023 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
- (b) 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.

Balance Sheet - continued
31 December 2023

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 and authorised for issue on 18 April 2024 and were signed on its behalf by:

Mr E Hill - Director

**Notes to the Financial Statements
for the year ended 31 December 2023**

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.

Going concern

The company meets its day to day working capital requirements through the support of the directors and shareholders of the company. On this basis, the directors and shareholders consider it appropriate to prepare the financial statements on the going concern basis.

Turnover

Turnover is measured at the fair value of the consideration received or receivable where certain performance obligations are met, 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 and 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	- 33% on cost, 20% on reducing balance and 10% on reducing balance
Fixtures and fittings	- 50% on cost
Computer equipment	- 50% on cost

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.

Notes to the Financial Statements - continued
for the year ended 31 December 2023

2. Accounting policies - continued

Financial instruments

Financial assets and liabilities are recognised when the company becomes party to the contractual provisions of the financial instrument. The company holds financial instruments which comprise cash and cash equivalents, trade and other receivables, equity investments, trade and other payables, convertible loan notes and loans and borrowings. The company has chosen to apply the provisions of Section 11 Basic Financial Instruments and Section 12 Other Financial Instruments in full.

Financial assets and liabilities - classified as basic financial instruments

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

(ii) Trade and other receivables

Trade and other receivables are initially recognised at the transaction price, including any transaction costs, and subsequently measured at amortised cost including the effective interest method, less any provision for impairment. Amounts that are receivable within one year are measured at the undiscounted amount of the cash expected to be received, net of any impairment.

At the end of each reporting period, the company assesses whether there is objective evidence that an receivable amount may be impaired. A provision for impairment 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. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised immediately in the Income Statement.

(iii) Trade and other payables and loans and borrowings

Trade and other payables and loans and borrowings are initially measured at the transaction price, including any transaction costs, and subsequently measured at amortised cost using the effective interest method. Amounts that are payable within one year are measured at the discounted amount of the cash expected to be paid.

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.

Research and development

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

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

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

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.

Notes to the Financial Statements - continued
for the year ended 31 December 20233. **Employees and directors**

The average number of employees during the year was 13 (2022 - 11) .

4. **Intangible fixed assets**

	Patents and licences £
Cost	
At 1 January 2023	199,165
Additions	44,640
At 31 December 2023	<u>243,805</u>
Amortisation	
At 1 January 2023	69,285
Amortisation for year	16,885
At 31 December 2023	<u>86,170</u>
Net book value	
At 31 December 2023	<u>157,635</u>
At 31 December 2022	<u>129,880</u>

5. **Tangible fixed assets**

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
Cost				
At 1 January 2023	108,285	64,364	10,228	182,877
Additions	64,963	868	-	65,831
At 31 December 2023	<u>173,248</u>	<u>65,232</u>	<u>10,228</u>	<u>248,708</u>
Depreciation				
At 1 January 2023	86,983	58,785	7,318	153,086
Charge for year	22,680	6,012	2,910	31,602
At 31 December 2023	<u>109,663</u>	<u>64,797</u>	<u>10,228</u>	<u>184,688</u>
Net book value				
At 31 December 2023	<u>63,585</u>	<u>435</u>	<u>-</u>	<u>64,020</u>
At 31 December 2022	<u>21,302</u>	<u>5,579</u>	<u>2,910</u>	<u>29,791</u>

6. **Debtors: amounts falling due within one year**

	2023 £	2022 £
Trade debtors	139	37,248
Other debtors	110,444	61,190
	<u>110,583</u>	<u>98,438</u>

Notes to the Financial Statements - continued
for the year ended 31 December 2023

7. Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans and overdrafts	10,099	9,849
Payments on account	223,625	287,799
Trade creditors	150,312	76,886
Taxation and social security	49,720	9,120
Other creditors	171,782	110,432
	<u>605,538</u>	<u>494,086</u>

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

	2023	2022
	£	£
Bank loans	16,513	26,612
Other creditors	96,668	803,140
	<u>113,181</u>	<u>829,752</u>

9. Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023	2022
	£	£
Within one year	42,000	42,000
Between one and five years	94,500	136,500
	<u>136,500</u>	<u>178,500</u>

10. Secured debts

The following secured debts are included within creditors:

	2023	2022
	£	£
Callen-Lenz Associates Ltd	<u>111,000</u>	<u>-</u>

The creditor is secured by a fixed and floating charge over all the property or undertaking of the company.

11. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023	2022
			£	£
3,373,832	Ordinary	£0.25	843,458	843,458
654,531	Ordinary	£0.0545	35,672	35,672
158,273	Ordinary	£0.25	39,568	-
			<u>918,698</u>	<u>879,130</u>

158,273 Ordinary shares of £0.25 each were allotted as fully paid at a premium of £0.0975 per share during the year.

During the year, a rights issue was approved to allot up to 863,310 ordinary shares of £0.25 each.

£55,000 was invested by shareholders during the year, shortly after the year end a further £164,000 was invested by shareholders as part of the 2023 rights issue.

Notes to the Financial Statements - continued
for the year ended 31 December 2023

12. Reserves

	Retained earnings £	Share premium £	Totals £
At 1 January 2023	(3,153,937)	1,579,795	(1,574,142)
Profit for the year	734,373		734,373
Cash share issue	-	15,432	15,432
At 31 December 2023	<u>(2,419,564)</u>	<u>1,595,227</u>	<u>(824,337)</u>

13. Post balance sheet events

During the year, a rights issue was approved to allot up to 863,310 ordinary shares of £0.25 each.

£55,000 was invested by shareholders during the year.

After the year end, but before the date of this report, a further £164,000 was invested by shareholders as part of the 2023 rights issue.

14. 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	
	2023 Number	2022 Number	2023 £	2022 £
Outstanding at 1 January	426,000	563,828	0.38	0.38
Expired during the year		(137,828)		
Granted during the year				
Outstanding at 31 December	<u>426,000</u>	<u>426,000</u>	<u>0.32</u>	<u>0.38</u>
Exercisable at 31 December	<u>426,000</u>	<u>426,000</u>	<u>0.32</u>	<u>0.38</u>

The options outstanding at 31 December 2023 had an exercise price of £0.32 and a remaining contractual life of up to 5 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.