

SUNFOLD SYSTEMS LIMITED

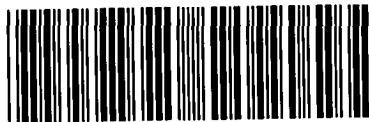
UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 OCTOBER 2017

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SUNFOLD SYSTEMS LIMITED
REGISTERED NUMBER: 04089186

STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	1,095,852	1,120,057
		<u>1,095,852</u>	<u>1,120,057</u>
Current assets			
Stocks	6	123,465	116,871
Debtors	7	171,150	195,719
Cash at bank and in hand		2,920	3,277
		<u>297,535</u>	<u>315,867</u>
Creditors: amounts falling due within one year	8	(575,519)	(573,117)
Net current liabilities		<u>(277,984)</u>	<u>(257,250)</u>
Total assets less current liabilities		<u>817,868</u>	<u>862,807</u>
Provisions for liabilities			
Other provisions	10	(4,550)	(17,089)
		<u>(4,550)</u>	<u>(17,089)</u>
Net assets		<u>813,318</u>	<u>845,718</u>
Capital and reserves			
Called up share capital	11	10,000	10,000
Revaluation reserve		476,900	476,900
Profit and loss account		326,418	358,818
		<u>813,318</u>	<u>845,718</u>

SUNFOLD SYSTEMS LIMITED
REGISTERED NUMBER: 04089186

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 OCTOBER 2017

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.


The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
Mr M J W Rawlings
Director


.....
Mrs B Marshall
Director

Date: 14-6-2018

Date: 14/6/18

The notes on pages 3 to 11 form part of these financial statements.

SUNFOLD SYSTEMS LIMITED

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

1. General information

Sunfold Systems Limited is a company limited by shares and incorporated in England within the United Kingdom. The address of the registered office is given in the company information page of these financial statements.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2.2 Going concern

At the year end the company had net current liabilities of £277,984. However, current liabilities include £283,532 owed to the directors. The directors are continuing to support the company and are not seeking repayment of their loans in the short term.

The directors have implemented a programme of cost savings and made changes to the product range. These changes should see a return to profitability and the directors are therefore satisfied that the company is a going concern.

SUNFOLD SYSTEMS LIMITED

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

2. Accounting policies (continued)

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

SUNFOLD SYSTEMS LIMITED

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

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following bases:

Freehold property	- 2% straight line
Tenants capital outlay	- 10% straight line
Plant & machinery	- 25% reducing balance
Motor vehicles	- 25% reducing balance
Fixtures & fittings	- 25% reducing balance / 50% straight line
Computer equipment	- 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

SUNFOLD SYSTEMS LIMITED

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

2. Accounting policies (continued)

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.12 Operating leases

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

2.13 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

SUNFOLD SYSTEMS LIMITED

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

2. Accounting policies (continued)

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.16 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4. Employees

The average monthly number of employees, including directors, during the year was 21 (2016 - 30).

SUNFOLD SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

5. Tangible fixed assets

	Land and buildings £	Other fixed assets £	Total £
Cost or valuation			
At 1 November 2016	1,156,875	425,977	1,582,852
Additions	-	5,681	5,681
At 31 October 2017	<u>1,156,875</u>	<u>431,658</u>	<u>1,588,533</u>
Depreciation			
At 1 November 2016	66,668	396,128	462,796
Charge for the year on owned assets	17,704	12,181	29,885
At 31 October 2017	<u>84,372</u>	<u>408,309</u>	<u>492,681</u>
Net book value			
At 31 October 2017	<u>1,072,503</u>	<u>23,349</u>	<u>1,095,852</u>
At 31 October 2016	<u>1,090,207</u>	<u>29,849</u>	<u>1,120,056</u>

Included in land and buildings is freehold land with a deemed cost of £145,000 (2016 - £145,000) which is not depreciated.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2017 £	2016 £
Cost	807,562	807,562
Accumulated depreciation	(200,000)	(186,283)
Net book value	<u>607,562</u>	<u>621,279</u>

SUNFOLD SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

6. Stocks

	2017 £	2016 £
Raw materials and consumables	120,631	114,048
Work in progress	2,834	2,823
	<u>123,465</u>	<u>116,871</u>

7. Debtors

	2017 £	2016 £
Due after more than one year		
Deferred tax asset	89,223	82,269
	<u>89,223</u>	<u>82,269</u>
Due within one year		
Trade debtors	80,449	103,131
Other debtors	802	1,024
Prepayments and accrued income	676	9,295
	<u>171,150</u>	<u>195,719</u>

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	16,393	56,210
Payments received on account	122,730	172,383
Trade creditors	98,127	103,707
Other taxation and social security	36,554	55,850
Other creditors	284,324	163,962
Accruals and deferred income	17,391	21,005
	<u>575,519</u>	<u>573,117</u>

SUNFOLD SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

9. Deferred taxation

	2017 £	2016 £
At beginning of year	82,269	55,523
Charged to profit or loss	2,090	22,580
Utilised in year	4,864	4,166
At end of year	89,223	82,269

The deferred tax asset is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(5,223)	(5,843)
Tax losses carried forward	94,391	92,828
Other timing difference	55	(4,716)
	89,223	82,269

10. Provisions

	Warranties £
At 1 November 2016	17,089
Utilised in year	(12,539)
At 31 October 2017	4,550

Warranties

Provision is made for the expected cost of work carried out under product warranties.

11. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	10,000	10,000

SUNFOLD SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

12. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £3,969 (2016 - £6,236). Contributions totalling £323 (2016 - £873) were payable to the fund at the balance sheet date and are included in creditors.

13. Related party transactions

At the year end the directors were owed £283,532 (2016 - £163,089) by the company in respect of their loan accounts. The loans were interest free and repayable on demand.

The bank overdraft was secured on freehold property owned by a director.