

A & F ENGINEERING (NORWICH) LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

A & F ENGINEERING (NORWICH) LIMITED
REGISTERED NUMBER: 04742827

BALANCE SHEET
AS AT 30 JUNE 2017

| | Note | 2017 £ | 2016 £ |
|---------------------------------------------------------|------|-----------------|-----------------|
| Fixed assets | | | |
| Intangible assets | 4 | 60,000 | 70,000 |
| Tangible assets | 5 | 39,379 | 39,248 |
| | | <u>99,379</u> | <u>109,248</u> |
| Current assets | | | |
| Stocks | 6 | 49,609 | 47,224 |
| Debtors: amounts falling due within one year | 7 | 3,878 | 23,570 |
| Cash at bank and in hand | | 2,500 | 3,143 |
| | | <u>55,987</u> | <u>73,937</u> |
| Creditors: amounts falling due within one year | 8 | (124,395) | (123,858) |
| Net current liabilities | | <u>(68,408)</u> | <u>(49,921)</u> |
| Total assets less current liabilities | | <u>30,971</u> | <u>59,327</u> |
| Creditors: amounts falling due after more than one year | 9 | (40,000) | (75,000) |
| Provisions for liabilities | | | |
| Deferred tax | 10 | (3,325) | (2,989) |
| | | <u>(3,325)</u> | <u>(2,989)</u> |
| Net liabilities | | <u>(12,354)</u> | <u>(18,662)</u> |
| Capital and reserves | | | |
| Called up share capital | | 100 | 100 |
| Profit and loss account | | (12,454) | (18,762) |
| | | <u>(12,354)</u> | <u>(18,662)</u> |

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 profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

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BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2017

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 September 2017.

D J Allen

Director

The notes on pages 3 to 8 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

1. General information

A & F Engineering (Norwich) Limited is a private company limited by shares, incorporated in England and Wales, with a company registration number of 04742827. The address of the registered office is given on 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 following principal accounting policies have been applied:

2.2 Revenue

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

2.3 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and loss account over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

| | | | |
|-----------------------|---|-----|------------------|
| Property Improvements | - | 10% | reducing balance |
| Plant & machinery | - | 15% | reducing balance |
| Motor vehicles | - | 25% | reducing balance |
| Office equipment | - | 25% | reducing balance |

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 Profit and loss account.

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.

At each balance sheet 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.

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.

2.8 Financial instruments

The Company only enters into basic financial instruments 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.

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 Profit and loss account 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

2. Accounting policies (continued)

2.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 July 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.12 Borrowing costs

All borrowing costs are recognised in the Profit and loss account in the year in which they are incurred.

2.13 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 Profit and loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet 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 Balance sheet.

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, 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 balance sheet 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 Balance sheet 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 balance sheet date.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

3. Employees

The average monthly number of employees, including directors, during the year was 5 (2016 - 5).

4. Intangible assets

| | Goodwill £ |
|------------------------|----------------|
| Cost | |
| At 1 July 2016 | 200,000 |
| At 30 June 2017 | <u>200,000</u> |
| Amortisation | |
| At 1 July 2016 | 130,000 |
| Charge for the year | 10,000 |
| At 30 June 2017 | <u>140,000</u> |
| Net book value | |
| At 30 June 2017 | <u>60,000</u> |
| At 30 June 2016 | <u>70,000</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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5. Tangible fixed assets

| | Property improvement £ | Plant & machinery £ | Motor vehicles £ | Office equipment £ | Total £ |
|----------------------------------------|------------------------------|---------------------------|---------------------|--------------------------|----------------|
| Cost or valuation | | | | | |
| At 1 July 2016 | 75,571 | 40,054 | 3,800 | 83,717 | 203,142 |
| Additions | - | 6,075 | - | - | 6,075 |
| At 30 June 2017 | <u>75,571</u> | <u>46,129</u> | <u>3,800</u> | <u>83,717</u> | <u>209,217</u> |
| Depreciation | | | | | |
| At 1 July 2016 | 51,269 | 31,619 | 3,066 | 77,940 | 163,894 |
| Charge for the year on owned assets | 2,422 | 1,901 | 183 | 1,438 | 5,944 |
| At 30 June 2017 | <u>53,691</u> | <u>33,520</u> | <u>3,249</u> | <u>79,378</u> | <u>169,838</u> |
| Net book value | | | | | |
| At 30 June 2017 | <u>21,880</u> | <u>12,609</u> | <u>551</u> | <u>4,339</u> | <u>39,379</u> |
| At 30 June 2016 | <u>24,302</u> | <u>8,435</u> | <u>734</u> | <u>5,777</u> | <u>39,248</u> |

6. Stocks

| | 2017 £ | 2016 £ |
|---------------------------|---------------|---------------|
| Fuel and goods for resale | <u>49,609</u> | <u>47,224</u> |

7. Debtors

| | 2017 £ | 2016 £ |
|------------------------------------|--------------|---------------|
| Trade debtors | - | 5,420 |
| Amounts owed by associated company | 3,261 | 6,578 |
| Other debtors | - | 10,883 |
| Prepayments and accrued income | 617 | 689 |
| | <u>3,878</u> | <u>23,570</u> |

A & F ENGINEERING (NORWICH) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

8. Creditors: Amounts falling due within one year

| | 2017 £ | 2016 £ |
|------------------------------------|----------------|----------------|
| Bank overdrafts | 12,807 | 7,854 |
| Other loans | 1,708 | 401 |
| Trade creditors | 84,311 | 86,107 |
| Corporation tax | 5,847 | 6,772 |
| Other taxation and social security | 9,118 | 4,801 |
| Other creditors | 4,204 | 11,023 |
| Accruals and deferred income | 6,400 | 6,900 |
| | <u>124,395</u> | <u>123,858</u> |

9. Creditors: Amounts falling due after more than one year

| | 2017 £ | 2016 £ |
|----------------|---------------|---------------|
| Directors loan | <u>40,000</u> | <u>75,000</u> |

10. Deferred taxation

| | 2017 £ |
|---------------------------|---------------------|
| At beginning of year | 2,989 |
| Charged to profit or loss | 336 |
| At end of year | <u><u>3,325</u></u> |

The provision for deferred taxation is made up as follows:

| | 2017 £ |
|--------------------------------|---------------------|
| Accelerated capital allowances | <u>3,325</u> |
| | <u><u>3,325</u></u> |

First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to

FRS 102 and have not impacted on equity or profit or loss.

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.