

Company Registration No. 08058103 (England and Wales)

ADVANCED INNOVATIVE ENGINEERING (UK) LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

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ADVANCED INNOVATIVE ENGINEERING (UK) LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Intangible assets	3		41,135		59,274
Tangible assets	4		79,281		96,509
			<u>120,416</u>		<u>155,783</u>
Current assets					
Stocks		135,966		136,947	
Debtors	5	436,185		90,131	
Cash at bank and in hand		1,082		-	
		<u>573,233</u>		<u>227,078</u>	
Creditors: amounts falling due within one year	6	(470,114)		(415,581)	
Net current assets/(liabilities)			<u>103,119</u>		<u>(188,503)</u>
Total assets less current liabilities			<u>223,535</u>		<u>(32,720)</u>
Creditors: amounts falling due after more than one year	7		(696,197)		(506,986)
Provisions for liabilities			<u>(22,484)</u>		<u>(30,216)</u>
Net liabilities			<u>(495,146)</u>		<u>(569,922)</u>
Capital and reserves					
Called up share capital	8		1,958,986		1,958,986
Share premium account			494,587		494,587
Profit and loss reserves			<u>(2,948,719)</u>		<u>(3,023,495)</u>
Total equity			<u>(495,146)</u>		<u>(569,922)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 September 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

ADVANCED INNOVATIVE ENGINEERING (UK) LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 SEPTEMBER 2019

The financial statements were approved by the board of directors and authorised for issue on 6 April 2020 and are signed on its behalf by:

Mr Nathan Bailey
Director

Company Registration No. 08058103

ADVANCED INNOVATIVE ENGINEERING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

Company information

Advanced Innovative Engineering (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 2 Ringway Industrial Estate, Eastern Avenue, Lichfield, Staffordshire, WS13 7SF.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. However, the directors are aware of certain material uncertainties which may cause doubt on the company's ability to continue as a going concern.

The company has net liabilities of £495,146 (2018:£569,922) at the balance sheet date. In order to continue to trade the company is reliant upon the support of its Directors and Shareholders. It has been indicated that this support will continue for the foreseeable future.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

ADVANCED INNOVATIVE ENGINEERING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer software	25% straight line
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1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	15% reducing balance
Plant and equipment	25% straight line
Fixtures and fittings	15% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

ADVANCED INNOVATIVE ENGINEERING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

ADVANCED INNOVATIVE ENGINEERING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

ADVANCED INNOVATIVE ENGINEERING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 12(2018 - 12).

3 Intangible fixed assets

	2018 £
Cost	
At 1 October 2018	148,468
Additions	3,384
At 30 September 2019	151,852
Amortisation and impairment	
At 1 October 2018	89,194
Amortisation charged for the year	21,523
At 30 September 2019	110,717
Carrying amount	
At 30 September 2019	41,135
At 30 September 2018	59,274

ADVANCED INNOVATIVE ENGINEERING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 October 2018	55,712	302,227	357,939
Additions	6,456	38,650	45,106
Disposals	-	(8,401)	(8,401)
At 30 September 2019	62,168	332,476	394,644
Depreciation and impairment			
At 1 October 2018	35,423	226,007	261,430
Depreciation charged in the year	3,533	57,084	60,617
Eliminated in respect of disposals	-	(6,684)	(6,684)
At 30 September 2019	38,956	276,407	315,363
Carrying amount			
At 30 September 2019	23,212	56,069	79,281
At 30 September 2018	20,289	76,220	96,509

5 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	335,250	31,329
Other debtors	100,935	58,802
	436,185	90,131

ADVANCED INNOVATIVE ENGINEERING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

6 Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	73,049	25,406
Trade creditors	334,650	229,394
Taxation and social security	38,235	136,949
Other creditors	24,180	23,832
	<u>470,114</u>	<u>415,581</u>

Charges by way of a floating charge have been made against the company by HSBC during the year. HSBC have security against all company property and assets held. This includes, but is not limited to, freehold or leasehold land and property, fixtures and fittings, plant and machinery, stock or works in progress, all book debtors and credits owing to the company.

7 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Other creditors	<u>696,197</u>	<u>506,986</u>

8 Called up share capital

	2019 £	2018 £
Ordinary share capital Issued and fully paid		
1,958,986 Ordinary of £1 each	<u>1,958,986</u>	<u>1,958,986</u>

9 Directors' transactions

Dividends totalling £0 (2018 - £0) were paid in the year in respect of shares held by the company's directors.

At the year end, a balance of £691,523 (2018: £506,986) was owed to the Directors by the company.

10 Parent company

By virtue of ownership of the entire issued share capital, Advanced Innovative Investments Ltd, a company incorporated in the UK, is the ultimate parent company.

Advanced Innovative Investments Ltd is registered at Unit 2, Ringway Industrial Estate, Eastern Avenue, Lichfield, WS13 7SF.

By virtue of ownership of the majority of the issued share capital of the ultimate parent company, Advanced Innovative Investments Ltd, Mr Ameer Manappat is the ultimate controlling party.

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.