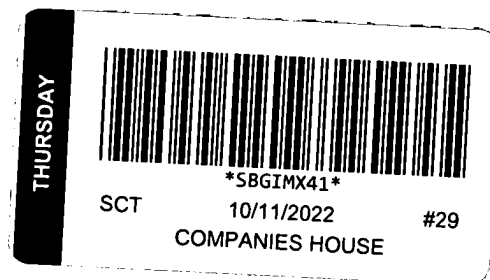


AFS TECHNOLOGIES SERVICES LIMITED
No. SC588535

FILLETED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021



AFS TECHNOLOGIES SERVICES LIMITED

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AFS TECHNOLOGIES SERVICES LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Intangible assets	3		28,003		40,408
Tangible assets	4		60,104		76,356
Investments	5		51		1
			<u>88,158</u>		<u>116,765</u>
Current assets					
Stocks		93,273		30,050	
Debtors	6	124,936		228,831	
Cash at bank and in hand		3,930		73,859	
		<u>222,139</u>		<u>332,740</u>	
Creditors: amounts falling due within one year	7	(195,624)		(135,501)	
Net current assets			<u>26,515</u>		<u>197,239</u>
Total assets less current liabilities			<u>114,673</u>		<u>314,004</u>
Creditors: amounts falling due after more than one year	8		(197,530)		(216,667)
Net (liabilities)/assets			<u>(82,857)</u>		<u>97,337</u>
Capital and reserves					
Called up share capital	9		856,822		634,775
Profit and loss reserves			(939,679)		(537,438)
Total equity			<u>(82,857)</u>		<u>97,337</u>

AFS TECHNOLOGIES SERVICES LIMITED

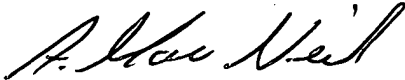
BALANCE SHEET (CONTINUED) AS AT 31 DECEMBER 2021

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

The directors confirm that the company was entitled to exemption from the requirement to have an audit under the provisions of section 477(1) of the Companies Act 2006 and that the members have not required the company to obtain an audit for the year in accordance with section 476(1) of that Act. The directors acknowledge their responsibility to ensure that the company keeps accounting records in accordance with section 386 and to prepare accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its loss for that financial year in accordance with section 394 and which otherwise comply with the Companies Act 2006 as far as applicable to the company.

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

The financial statements were approved by the board of directors and authorised for issue on 21 October 2022 and are signed on its behalf by:



Alasdair MacNeil
Director

Company Registration No. SC588535

AFS TECHNOLOGIES SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

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 company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

The financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for at least twelve months from the date of signing the financial statements. This assumption is based upon assurances received from the directors that it is their intention to provide such assistance as is required to enable the company to meet its financial commitments. In arriving at this conclusion, the directors have given due consideration to the possible impact of the Covid-19 pandemic on future operations. If the company were unable to continue to trade, adjustments would have to be made to reduce the value of the assets to their recoverable amount and to provide for any further liabilities that might arise.

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.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the provision of services is recognised in the period to which it relates once it can be estimated reliably.

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

AFS TECHNOLOGIES SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (continued)

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

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; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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:

Intellectual property	20% Straight line
Other intangibles	20% Straight line

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 improvements	20% Straight line
Plant and equipment	25% Reducing balance
Fixtures and fittings	25% Straight line
Computer equipment	33% Straight line

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 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

AFS TECHNOLOGIES SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.8 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.

1.9 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 cost and replacement 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.

1.10 Cash and cash equivalents

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.

AFS TECHNOLOGIES SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (continued)

1.11 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.

1.12 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.

1.13 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.

AFS TECHNOLOGIES SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (continued)

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.

1.14 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.15 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.

1.16 Retirement benefits

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

1.17 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.

1.18 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.

AFS TECHNOLOGIES SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (continued)

1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	13	17

3 Intangible fixed assets

	Goodwill £	Intellectual property £	Other intangibles £	Total £
Cost				
At 1 January 2021	1	42,450	20,429	62,880
Additions	-	170	-	170
At 31 December 2021	1	42,620	20,429	63,050
Amortisation and impairment				
At 1 January 2021	1	12,848	9,623	22,472
Amortisation charged for the year	-	8,490	4,085	12,575
At 31 December 2021	1	21,338	13,708	35,047
Carrying amount				
At 31 December 2021	-	21,282	6,721	28,003
At 31 December 2020	-	29,602	10,806	40,408

AFS TECHNOLOGIES SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

4 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 January 2021	10,980	124,241	135,221
Additions	1,405	10,080	11,485
Disposals	-	(1,505)	(1,505)
At 31 December 2021	12,385	132,816	145,201
Depreciation and impairment			
At 1 January 2021	2,042	56,823	58,865
Depreciation charged in the year	2,267	25,446	27,713
Eliminated in respect of disposals	-	(1,481)	(1,481)
At 31 December 2021	4,309	80,788	85,097
Carrying amount			
At 31 December 2021	8,076	52,028	60,104
At 31 December 2020	8,938	67,418	76,356

5 Fixed asset investments

	2021 £	2020 £
Shares in group undertakings and participating interests	51	1

Movements in fixed asset investments

	Shares in subsidiaries £
Cost or valuation	
At 1 January 2021	1
Additions	50
At 31 December 2021	51
Carrying amount	
At 31 December 2021	51
At 31 December 2020	1

AFS TECHNOLOGIES SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

6 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	79,835	180,699
Corporation tax recoverable	6,500	6,699
Amounts owed by group undertakings	38,096	-
Other debtors	505	41,433
	<u>124,936</u>	<u>228,831</u>

7 Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans	50,375	33,333
Trade creditors	19,861	20,613
Corporation tax	-	199
Other taxation and social security	30,442	20,245
Other creditors	94,946	61,111
	<u>195,624</u>	<u>135,501</u>

HSBC UK PLC holds both fixed and floating charges that covers all the assets and undertakings of the company.

8 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Bank loans	<u>197,530</u>	<u>216,667</u>

9 Called up share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
A Ordinary shares of £1 each	771,775	571,775	771,775	571,775
B Ordinary shares of £1 each	85,047	63,000	85,047	63,000
	<u>856,822</u>	<u>634,775</u>	<u>856,822</u>	<u>634,775</u>

All shares rank pari passu.

During the year, 200,000 A ordinary shares and 22,047 B ordinary shares of £1 each were issued at par.

AFS TECHNOLOGIES SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2021 £	2020 £
Total	146,014	231,014

11 Directors' transactions

As at 31 December 2021, the company owed one of the directors £874 (2020 - one of the directors was due the company £19,862). Interest was charged in 2020 on the loan at 3% per annum above the Bank of England base rate. The base rate as at 31 December 2021 was 0.25% (2020 - 0.1%). The loan is repayable over 5 years.

12 Company information

AFS Technologies Services Limited is a private company limited by shares incorporated in Scotland. The registered office is Union Plaza (6th Floor), 1 Union Wynd, Aberdeen, AB10 1DQ.