

## **ABFAD LIMITED**

**Filleted Annual Report and Unaudited Financial Statements  
for the Year Ended 31 March 2020**

**Abfad Limited**

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# **Abfad Limited**

## **Company Information**

<b>Directors</b>	C. S. Haritou A. Fada
<b>Registered office</b>	8 Teal Farm Way Teal Farm Park Washington Tyne and Wear NE38 8BG
<b>Bankers</b>	HSBC Unit 49-51 The Bridges Shopping Centre Market Square Sunderland SR1 3LE
<b>Accountants</b>	MHA Tait Walker Chartered Accountants Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

# Abfad Limited

(Registration number: 03165833)

## Statement of Financial Position as at 31 March 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	<u>4</u>	2,366	4,747
<b>Current assets</b>			
Stocks	<u>5</u>	10,000	12,000
Debtors	<u>6</u>	122,111	70,686
Cash at bank and in hand		121,695	85,808
		<u>253,806</u>	<u>168,494</u>
<b>Creditors:</b> Amounts falling due within one year	<u>7</u>	<u>(128,462)</u>	<u>(84,328)</u>
<b>Net current assets</b>		<u>125,344</u>	<u>84,166</u>
<b>Net assets</b>		<u>127,710</u>	<u>88,913</u>
<b>Capital and reserves</b>			
Called up share capital		201	201
Share premium reserve		31,500	31,500
Profit and loss account		<u>96,009</u>	<u>57,212</u>
<b>Total equity</b>		<u>127,710</u>	<u>88,913</u>

For the financial year ending 31 March 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

### Directors' responsibilities:

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

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies' regime and the option not to file the Income Statement has been taken.

Approved and authorised by the Board on 29 September 2020 and signed on its behalf by:

.....  
C. S. Haritou  
Director

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

# **Abfad Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2020**

### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is 8 Teal Farm Way, Teal Farm Park, Washington, Tyne and Wear, NE38 8BG.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

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

#### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements are prepared in sterling which is the functional currency of the entity.

#### **Going concern**

The company meets its day to day working capital requirements through cash generated from operations and shareholding funding. The directors have assessed the potential impact of the COVID-19 virus and the financial impact on the company and have developed a business continuity plan should the global impact widen.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these financial statements. The company therefore continues to adopt the going concern basis in preparing its financial statements.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

# **Abfad Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)**

### **2 Accounting policies (continued)**

#### **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

#### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

#### **Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Plant and machinery	25% straight line and 20% reducing balance

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors 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.

# **Abfad Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)**

### **2 Accounting policies (continued)**

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Income Statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

# Abfad Limited

## Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

### 2 Accounting policies (continued)

#### Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

### 3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 8 (2019 - 8).

### 4 Tangible assets

	<b>Plant and machinery £</b>	<b>Total £</b>
<b>Cost or valuation</b>		
At 1 April 2019	<u>282,847</u>	<u>282,847</u>
At 31 March 2020	<u>282,847</u>	<u>282,847</u>
<b>Depreciation</b>		
At 1 April 2019	278,100	278,100
Charge for the year	<u>2,381</u>	<u>2,381</u>
At 31 March 2020	<u>280,481</u>	<u>280,481</u>
<b>Carrying amount</b>		
At 31 March 2020	<u>2,366</u>	<u>2,366</u>
At 31 March 2019	<u>4,747</u>	<u>4,747</u>

### 5 Stocks

	<b>2020 £</b>	<b>2019 £</b>
Consumables	<u>10,000</u>	<u>12,000</u>



# Abfad Limited

## Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

### 6 Debtors

	2020 £	2019 £
Trade debtors	83,523	35,215
Prepayments	38,077	18,622
Other debtors	511	239
Corporation tax asset	-	16,610
	<u>122,111</u>	<u>70,686</u>

### 7 Creditors

#### Creditors: amounts falling due within one year

	2020 £	2019 £
<b>Due within one year</b>		
Trade creditors	52,688	15,903
Taxation and social security	20,552	13,679
Accruals and deferred income	4,576	6,310
Other creditors	36,401	34,441
Directors loan accounts	14,245	13,995
	<u>128,462</u>	<u>84,328</u>

### 8 Financial commitments, guarantees and contingencies

#### Amounts not provided for in the statement of financial position

The total amount of financial commitments not included in the statement of financial position is £51,725 (2019 - £76,305).

### 9 Related party transactions

#### Transactions with directors

	At 1 April 2019 £	Advances to directors £	Repayments by director £	At 31 March 2020 £
<b>2020</b>				
<b>C. S. Haritou</b>				
Director's loan account	(6,997)	1,375	(1,500)	(7,122)
	<u></u>	<u></u>	<u></u>	<u></u>
<b>A. Fada</b>				
Director's loan account	(6,998)	1,375	(1,500)	(7,123)
	<u></u>	<u></u>	<u></u>	<u></u>

## Abfad Limited

### Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

#### 9 Related party transactions (continued)

	At 1 April 2018 £	Advances to directors £	Repayments by director £	At 31 March 2019 £
<b>2019</b>				
<b>C. S. Haritou</b>				
Director's loan account	(9,247)	2,600	(350)	(6,997)
<b>A. Fada</b>				
Director's loan account	(9,248)	2,600	(350)	(6,998)

#### 10 Parent and ultimate parent undertaking

Following a share for share exchange on 23 August 2019 The Magnet Partnership Limited became the ultimate parent company of Abfad Limited.

The company's immediate parent is Magnet Partnership Limited, incorporated in England and Wales.

These financial statements are available upon request from Unit 8 Teal Farm Way, Washington, Tyne and Wear, NE38 8BG.

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.