RCV ENGINES LIMITED

Financial Statements

for the Year Ended 31 December 2020

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for the year ended 31 December 2020

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Company Information
for the year ended 31 December 2020

Directors:	Mr J B Adkins Mr S Gould Mr E Hill Mr K T Lawes Dr B R Mason Mr L J Gould
Registered office:	4 Telford Road Ferndown Industrial Estate Wimborne Dorset BH21 7QL
Registered number:	03338081 (England and Wales)
Accountants:	Haines Watts Chartered Accountants New Derwent House 69-73 Theobalds Road London WC1X 8TA

Balance Sheet
31 December 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Intangible assets	4		97,605		94,283
Tangible assets	5		4,577		4,835
			102,182		99,118
Current assets					
Stocks		98,024		96,068	
Debtors	6	31,529		44,244	
Cash at bank and in hand		103,594		92,381	
		233,147		232,693	
Creditors					
Amounts falling due within one year	7	122,621		63,992	
Net current assets			110,526		168,701
Total assets less current liabilities			212,708		267,819
Creditors					
Amounts falling due after more than one year	8		846,882		789,979
Net liabilities			(634,174)		(522,160)
Capital and reserves					
Called up share capital	9		879,130		879,130
Share premium			1,579,795		1,579,795
Retained earnings			(3,093,099)		(2,981,085)
Shareholders' funds			(634,174)		(522,160)

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:
(a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

Balance Sheet - continued
31 December 2020

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

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 24 August 2021 and were signed on its behalf by:

Mr E Hill - Director

1. **Statutory information**

RCV Engines Limited is a private company, limited by shares , registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **Accounting policies**

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover
Turnover is measured at the fair value of the consideration received or receivable where certain performance obligations are met, excluding discounts, rebates, value added tax and other sales taxes.

Intangible assets
Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of ten years.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 10% on reducing balance

Stocks
Work in progress is valued at the lower of cost and net realisable value.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development
Expenditure on research and development is written off in the year in which it is incurred.

2. **Accounting policies - continued**

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits
The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Going concern
Following the emergence and spread of the coronavirus (COVID-19) as well as its financial effects on the business's worldwide the directors are considering its effects on the business of the company. Whilst the future business opportunities remain robust the pandemic has delayed the timing of certain programs into productions but there are sufficient funds available for the business to continue.

3. **Employees and directors**

The average number of employees during the year was 9 (2019 - 8) .

4. **Intangible fixed assets**

	Patents and licences £
Cost	
At 1 January 2020	131,980
Additions	12,013
At 31 December 2020	143,993
Amortisation	
At 1 January 2020	37,697
Amortisation for year	8,691
At 31 December 2020	46,388
Net book value	
At 31 December 2020	97,605
At 31 December 2019	94,283

5. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
Cost				
At 1 January 2020	80,564	53,207	-	133,771
Additions	-	-	1,101	1,101
At 31 December 2020	80,564	53,207	1,101	134,872
Depreciation				
At 1 January 2020	75,729	53,207	-	128,936
Charge for year	808	-	551	1,359
At 31 December 2020	76,537	53,207	551	130,295
Net book value				
At 31 December 2020	4,027	-	550	4,577
At 31 December 2019	4,835	-	-	4,835

6. Debtors: amounts falling due within one year

	2020 £	2019 £
Trade debtors	2,319	22,760
Other debtors	29,210	21,484
	31,529	44,244

7. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	30,968	39,712
Taxation and social security	4,828	6,087
Other creditors	86,825	18,193
	122,621	63,992

8. Creditors: amounts falling due after more than one year

	2020 £	2019 £
Other creditors	846,882	789,979

Other creditors include balance of salary and interest provided for a number of years which will only be paid to employees and directors at such time as the company is cash generative.

9. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020 £	2019 £
3,373,832	Ordinary	£0.25	843,458	843,458
654,531	Ordinary	£0.0545	35,672	35,672
			879,130	879,130

10. Share-based payment transactions

The company has in place a Share Option Scheme whereby options are granted to directors and employees to acquire ordinary shares of 25p each.

	Number of share options		Weighted average exercise price	
	2020 Number	2019 Number	2020 £	2019 £
Outstanding at 1 January	724,596	724,596	0.40	0.40
Expired during the year	160,768		0.45	
Granted during the year				
Outstanding at 31 December	563,828	724,596	0.38	0.40
Exercisable at 31 December	563,828	724,596	0.38	0.40

The options outstanding at 31 December 2020 had an exercise price of £0.38 and a remaining contractual life of up to 8 years.