

COMPANY REGISTRATION NUMBER: 3666296

Applelec Sign Components (UK) Limited
Filleted Unaudited Financial Statements
31 December 2019

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Applelec Sign Components (UK) Limited

Statement of Financial Position

31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	6	520,833	603,599
Investments	7	53	53
		<u>520,886</u>	<u>603,652</u>
Current assets			
Stocks		931,227	980,175
Debtors	8	3,538,479	2,308,443
Cash at bank and in hand		506,110	184,699
		<u>4,975,816</u>	<u>3,473,317</u>
Creditors: amounts falling due within one year	9	<u>1,358,133</u>	<u>1,039,142</u>
Net current assets		<u>3,617,683</u>	<u>2,434,175</u>
Total assets less current liabilities		<u>4,138,569</u>	<u>3,037,827</u>
Creditors: amounts falling due after more than one year	10	61,024	119,707
Provisions			
Taxation including deferred tax		60,648	70,466
Net assets		<u>4,016,897</u>	<u>2,847,654</u>
Capital and reserves			
Called up share capital		99	99
Profit and loss account		4,016,798	2,847,555
Shareholders funds		<u>4,016,897</u>	<u>2,847,654</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the year ending 31 December 2019 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;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The statement of financial position
continues on the following page.

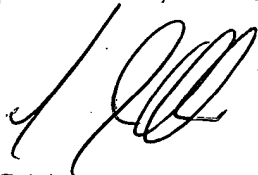
The notes on pages 3 to 8 form part of these financial statements.

Applelec Sign Components (UK) Limited

Statement of Financial Position *(continued)*

31 December 2019

These financial statements were approved by the board of directors and authorised for issue on 30 September 2020, and are signed on behalf of the board by:



IM Drinkwater

Company registration number: 3666296

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

Applelec Sign Components (UK) Limited

Notes to the Financial Statements

Year ended 31 December 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Unit 1 Wharfedale Business Park, Shetcliffe Lane, Bradford, West Yorkshire, BD4 9RW.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

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

Consolidation

The company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Applelec Sign Components (UK) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 20% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold Property	- 2% straight line
Leasehold Property	- 10% reducing balance
Plant and Machinery	- 20% reducing balance
Motor Vehicles	- 20% reducing balance
Equipment	- 20% reducing balance

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Applelec Sign Components (UK) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Stock is measured using the latest purchase price which approximates to actual cost.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Applelec Sign Components (UK) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Applelec Sign Components (UK) Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2019

4. Employee numbers

The average number of persons employed by the company during the year amounted to 78 (2018: 75).

5. Intangible assets

	Goodwill £
Cost	
At 1 January 2019 and 31 December 2019	<u>125,000</u>
Amortisation	
At 1 January 2019 and 31 December 2019	<u>125,000</u>
Carrying amount	
At 31 December 2019	<u>—</u>
At 31 December 2018	<u>—</u>

6. Tangible assets

	Long leasehold property £	Plant and machinery £	Motor vehicles £	Equipment £	Total £
Cost					
At 1 January 2019	103,935	617,125	224,393	388,383	1,333,836
Additions	30,181	5,156	20,732	24,615	80,684
Disposals	—	—	(106,001)	—	(106,001)
At 31 December 2019	<u>134,116</u>	<u>622,281</u>	<u>139,124</u>	<u>412,998</u>	<u>1,308,519</u>
Depreciation					
At 1 January 2019	66,809	347,681	73,072	242,675	730,237
Charge for the year	3,713	54,490	26,284	29,837	114,324
Disposals	—	—	(56,875)	—	(56,875)
At 31 December 2019	<u>70,522</u>	<u>402,171</u>	<u>42,481</u>	<u>272,512</u>	<u>787,686</u>
Carrying amount					
At 31 December 2019	<u>63,594</u>	<u>220,110</u>	<u>96,643</u>	<u>140,486</u>	<u>520,833</u>
At 31 December 2018	<u>37,126</u>	<u>269,444</u>	<u>151,321</u>	<u>145,708</u>	<u>603,599</u>

7. Investments

	Shares in group undertakings £
Cost	
At 1 January 2019 and 31 December 2019	<u>53</u>
Impairment	
At 1 January 2019 and 31 December 2019	<u>—</u>

Applelec Sign Components (UK) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

7. Investments *(continued)*

	Shares in group undertakings £
Carrying amount	
At 31 December 2019	<u>53</u>
At 31 December 2018	<u>53</u>

8. Debtors

	2019 £	2018 £
Trade debtors	1,457,258	1,236,514
Amounts owed by group undertakings and undertakings in which the company has a participating interest	1,339,071	760,845
Other debtors	<u>742,150</u>	<u>311,084</u>
	<u>3,538,479</u>	<u>2,308,443</u>

9. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	945,558	703,690
Social security and other taxes	264,370	194,835
Other creditors	<u>148,205</u>	<u>140,617</u>
	<u>1,358,133</u>	<u>1,039,142</u>

Bank overdrafts are secured by a debenture over the company's assets dated 16/12/2005 incorporating a fixed and floating charge.

Hire purchase agreements are secured upon the asset the agreement relates to.

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

	2019 £	2018 £
Other creditors	<u>61,024</u>	<u>119,707</u>

11. Directors' advances, credits and guarantees

At 31 December 2019 the directors had advances of £528,677, this was repaid post year end.

12. Related party transactions

The company was under the control of the directors throughout the year.

All intercompany loans were repayable on demand.