

COMPANY REGISTRATION NUMBER: 3666296

Applelec Sign Components (UK) Limited
Filleted Unaudited Financial Statements
31 December 2021

Applelec Sign Components (UK) Limited

Statement of Financial Position

31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	6	510,319	501,293
Current assets			
Stocks		1,235,588	916,679
Debtors	7	1,106,426	3,819,706
Cash at bank and in hand		350,769	1,387,435
		<u>2,692,783</u>	<u>6,123,820</u>
Creditors: amounts falling due within one year	8	<u>1,617,722</u>	<u>993,896</u>
Net current assets		1,075,061	5,129,924
Total assets less current liabilities		1,585,380	5,631,217
Creditors: amounts falling due after more than one year	9	692,888	1,033,689
Provisions			
Taxation including deferred tax		61,476	57,080
Net assets		831,016	4,540,448
Capital and reserves			
Called up share capital		99	99
Profit and loss account		830,917	4,540,349
Shareholders funds		831,016	4,540,448

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 income statement has not been delivered.

For the year ending 31 December 2021 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 .

Applelec Sign Components (UK) Limited

Statement of Financial Position *(continued)*

31 December 2021

These financial statements were approved by the board of directors and authorised for issue on 20 September 2022 , and are signed on behalf of the board by:

IM Drinkwater

Director

Company registration number: 3666296

Applelec Sign Components (UK) Limited

Notes to the Financial Statements

Year ended 31 December 2021

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.

Employee ownership trust

The Applelec Employee Ownership Trust has been established with the object of ensuring that shares in the company are held by the trustee for the benefit of the company's employees and that the eligible employees shall have an interest in the company's business, a share in its future profits and a voice in the direction of its affairs. Payments made by the company to the trust are treated as capital contributions.

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.

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
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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:

Leasehold Property	-	10% reducing balance
Plant and Machinery	-	20% reducing balance
Motor Vehicles	-	20% reducing balance
Equipment	-	20 % reducing balance

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.

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.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 70 (2020: 72).

5. Intangible assets

	Goodwill
	£
Cost	
At 1 January 2021 and 31 December 2021	125,000

Amortisation	
At 1 January 2021 and 31 December 2021	125,000

Carrying amount	
At 31 December 2021	—

At 31 December 2020	—

6. Tangible assets

	Long leasehold property	Plant and machinery	Motor vehicles	Equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2021	134,116	667,265	145,799	438,769	1,385,949
Additions	—	74,100	26,734	11,963	112,797
Disposals	—	—	(17,490)	—	(17,490)
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At 31 December 2021	134,116	741,365	155,043	450,732	1,481,256
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Depreciation					
At 1 January 2021	73,863	452,941	59,728	298,124	884,656
Charge for the year	3,007	42,865	19,306	30,521	95,699
Disposals	—	—	(9,418)	—	(9,418)
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At 31 December 2021	76,870	495,806	69,616	328,645	970,937
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Carrying amount					
At 31 December 2021	57,246	245,559	85,427	122,087	510,319
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At 31 December 2020	60,253	214,324	86,071	140,645	501,293
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7. Debtors

	2021	2020
	£	£
Trade debtors	1,087,004	1,016,057
Amounts owed by group undertakings and undertakings in which the company has a participating interest	6,827	1,521,051
Other debtors	12,595	1,282,598
	<u>1,106,426</u>	<u>3,819,706</u>

8. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	200,000	—
Trade creditors	1,047,859	693,611
Social security and other taxes	232,326	164,118
Other creditors	1	1
Other creditors	137,536	136,166
	<u>1,617,722</u>	<u>993,896</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.

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

	2021	2020
	£	£
Bank loans and overdrafts	683,333	1,000,000
Other creditors	9,555	33,689
	<u>692,888</u>	<u>1,033,689</u>

10. Directors' advances, credits and guarantees

There were no such transactions to disclose.

11. Related party transactions

Distributions of £3,946,168 (2020 - £nil) were made to The Applelec Employee Ownership Trust.

12. Employee ownership trust

On 8 March 2021 Applelec Trustees Ltd, being the trustee of The Applelec Employee Ownership Trust, acquired 100% of the ordinary share capital of Applelec Group Limited.

During the year the company made capital contributions of £3,946,168 to the trust.

13. Financial commitments

The company has provided a guarantee in respect of the purchase of share capital in the company by Applelec Trustees Limited as trustees of The Applelec Employee Ownership Trust.

Distributions made by the company are treated as gift payments to the trust so that the trust can meet its obligations and are made at the discretion of the company directors based on available cashflows and the performance of the business.

14. Controlling party

The company is controlled by Applelec Trustees Limited, being the trustee of The Applelec Employee Ownership Trust.

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.