

COMPANIES HOUSE

Registered number: 04364671

**ADVANCED MANUFACTURING (SHEFFIELD) LIMITED**

**UNAUDITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2018**

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COMPANIES HOUSE

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**ADVANCED MANUFACTURING (SHEFFIELD) LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Dr G Morgan N Lane I Lane
<b>Company secretary</b>	Dr G Morgan
<b>Registered number</b>	04364671
<b>Registered office</b>	C/O Chapmans Agricultural Limited Club Mill Road SHEFFIELD South Yorkshire S6 2FH
<b>Accountants</b>	Grant Thornton UK LLP Chartered Accountants 2 Broadfield Court SHEFFIELD South Yorkshire S8 0XF
<b>Bankers</b>	Lloyds Bank Plc 1 High Street SHEFFIELD S1 2GA

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**ADVANCED MANUFACTURING (SHEFFIELD) LIMITED**

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## ADVANCED MANUFACTURING (SHEFFIELD) LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

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The directors present their report and the financial statements for the year ended 30 June 2018.

#### Principal activity

The principal activity of the company continues to be the manufacture of components from hard metals for different industries with a main focus on Aerospace. In addition the company carries out prototyping work for its customers which will lead to on-going production orders and continues to carry out consultancy work.

#### Directors

The directors who served during the year were:

Dr G Morgan  
N Lane  
I Lane

#### Going concern

The company made a profit before tax for the period of £99,925 (2017 - loss of £744,629) and had net current liabilities at 30 June 2018 of £506,472 (2017 - £401,006).


Mrs J Lane and Mrs S Lane have confirmed their intention to continue to support the company for at least 12 months from the date of approval of these financial statements, by confirming that the existing loans will not be recalled for at least 12 months from the date of approval of the financial statements.

The financial statements have been prepared on the going concern basis based on contracts signed and future work in the pipeline. The directors have assessed the going concern position of the company and have no reason to believe that there is a material uncertainty that would affect the ability of the company to continue as a going concern for the foreseeable future. The directors consider the foreseeable future to be 12 months from the date the financial statements are signed.

#### Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



N Lane  
Director

Date: 1 NOVEMBER 2018



**Report to the directors on the preparation of the unaudited statutory financial statements of Advanced Manufacturing (Sheffield) Limited for the year ended 30 June 2018**

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We have compiled the accompanying financial statements of Advanced Manufacturing (Sheffield) Limited based on the information you have provided. These financial statements comprise the Statement of Financial Position of Advanced Manufacturing (Sheffield) Limited as at 30 June 2018, the Statement of Comprehensive Income for the year then ended, the Statement of Changes in Equity and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Board of Directors of Advanced Manufacturing (Sheffield) Limited, as a body, in accordance with the terms of our engagement letter dated 25 September 2018. Our work has been undertaken solely to prepare for your approval the financial statements of Advanced Manufacturing (Sheffield) Limited and state those matters that we have agreed to state to the Board of Directors of Advanced Manufacturing (Sheffield) Limited, as a body, in this report in accordance with our engagement letter dated 25 September 2018. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Advanced Manufacturing (Sheffield) Limited and its Board of Directors, as a body, for our work or for this report.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'. As a member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at [www.icaew.com](http://www.icaew.com).

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

*Grant Thornton UK LLP*

**Grant Thornton UK LLP**

Chartered Accountants

SHEFFIELD

2 November 2018

**ADVANCED MANUFACTURING (SHEFFIELD) LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2018**

		30 June 2018 £	18 months ended 30 June 2017 £
	Note		
Turnover		2,463,518	1,884,224
Cost of sales		(2,135,889)	(2,271,646)
<b>Gross profit/(loss)</b>		<b>327,629</b>	<b>(387,422)</b>
Administrative expenses		(377,055)	(464,664)
Other operating income	4	229,177	227,758
<b>Operating profit/(loss)</b>	5	<b>179,751</b>	<b>(624,328)</b>
Interest receivable and similar income		-	653
Interest payable and expenses		(79,826)	(120,954)
<b>Profit/(loss) before tax</b>		<b>99,925</b>	<b>(744,629)</b>
Tax on profit/(loss)	7	49,200	48,313
<b>Total comprehensive income for the year</b>		<b>149,125</b>	<b>(696,316)</b>

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

The notes on pages 7 to 20 form part of these financial statements.

**ADVANCED MANUFACTURING (SHEFFIELD) LIMITED**  
**REGISTERED NUMBER:04364671**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	8	2,114,082	2,213,421
<b>Current assets</b>			
Stocks	9	27,482	23,377
Debtors: amounts falling due within one year	10	930,819	473,822
Cash at bank and in hand	11	816	491
		<u>959,117</u>	<u>497,690</u>
Creditors: amounts falling due within one year	12	<u>(1,465,589)</u>	<u>(898,696)</u>
<b>Net current liabilities</b>		<b>(506,472)</b>	<b>(401,006)</b>
<b>Total assets less current liabilities</b>		<b>1,607,610</b>	<b>1,812,415</b>
Creditors: amounts falling due after more than one year	13	<b>(1,581,795)</b>	<b>(1,910,325)</b>
<b>Provisions for liabilities</b>			
Deferred tax	15	-	(25,400)
<b>Net assets/(liabilities)</b>		<b>25,815</b>	<b>(123,310)</b>
<b>Capital and reserves</b>			
Called up share capital	17	100	100
Revaluation reserve	16	230,415	243,582
Profit and loss account	16	<b>(204,700)</b>	<b>(366,992)</b>
		<u>25,815</u>	<u>(123,310)</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements which give a true and fair view of the state of affairs of the Company as at 30 June 2018 and of its profit for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the Company.

The financial statements have been prepared and delivered in accordance with the provisions applicable to small companies within part 15 of the Companies Act 2006.

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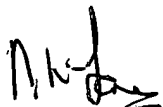
ADVANCED MANUFACTURING (SHEFFIELD) LIMITED  
REGISTERED NUMBER:04364671

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STATEMENT OF FINANCIAL POSITION (CONTINUED)  
AS AT 30 JUNE 2018

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The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



N Lane  
Director

Date: 1 November 2018

The notes on pages 7 to 20 form part of these financial statements.



**ADVANCED MANUFACTURING (SHEFFIELD) LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2018**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2017	100	243,582	(366,992)	(123,310)
Profit for the year	-	-	149,125	149,125
Transfer to/from profit and loss account	-	(13,167)	13,167	-
<b>At 30 June 2018</b>	<b>100</b>	<b>230,415</b>	<b>(204,700)</b>	<b>25,815</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2017**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	100	310,013	262,893	573,006
Loss for the period	-	-	(696,316)	(696,316)
Transfer to/from profit and loss account	-	(66,431)	66,431	-
<b>At 30 June 2017</b>	<b>100</b>	<b>243,582</b>	<b>(366,992)</b>	<b>(123,310)</b>

The notes on pages 7 to 20 form part of these financial statements.

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## ADVANCED MANUFACTURING (SHEFFIELD) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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#### 1. General information

Advanced Manufacturing (Sheffield) Limited is a private company limited by shares and registered in England and Wales. Registered number: 04364671. The registered office is located at Club Mill Road, Sheffield, South Yorkshire, S6 2FH.

The principal activity of the company continues to be the manufacture of components from hard metals for different industries with a main focus on Aerospace. In addition the company carries out prototyping work for its customers which will lead to on-going production orders and continues to carry out consultancy work.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company accounting policies (see note 3).

The Company's functional and presentational currency is pound sterling (£).

The following principal accounting policies have been applied:

##### 2.2 Going concern

The company made a profit before tax for the period of £99,925 (2017 - loss of £744,629) and had net current liabilities at 30 June 2018 of £506,472 (2017 - £401,006).

Mrs J Lane and Mrs S Lane have confirmed their intention to continue to support the company for at least 12 months from the date of approval of these financial statements, by confirming that the existing loans will not be recalled for at least 12 months from the date of approval of the financial statements.

The financial statements have been prepared on the going concern basis based on contracts signed and future work in the pipeline. The directors have assessed the going concern position of the company and have no reason to believe that there is a material uncertainty that would affect the ability of the company to continue as a going concern for the foreseeable future. The directors consider the foreseeable future to be 12 months from the date the financial statements are signed.

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## ADVANCED MANUFACTURING (SHEFFIELD) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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#### 2. Accounting policies (continued)

##### 2.3 Revenue

Revenue is recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Amounts receivable for services is recognised in the period which the services are provided according to the stage of completion of the contract. The value of unbilled work performed on contracts in progress is included in debtors as amounts recoverable on contracts.

Revenue from the sale of goods is recognised when the significant risk and rewards of ownership of the goods have transferred to the buyer based on specific contract terms.

##### Long-term contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for the contract. Revenue derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

##### 2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- over the remainder of the term of the lease
Plant and machinery	- 10 - 33% straight line
Motor vehicles	- 4 years
CNC lathes	- 15 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

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## ADVANCED MANUFACTURING (SHEFFIELD) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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#### 2. Accounting policies (continued)

##### 2.5 Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is 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.

##### 2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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## ADVANCED MANUFACTURING (SHEFFIELD) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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#### 2. Accounting policies (continued)

##### 2.7 Foreign currencies

###### Functional and presentation currency

The Company's functional and presentational currency is GBP.

###### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

##### 2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

##### 2.9 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

##### 2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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## ADVANCED MANUFACTURING (SHEFFIELD) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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#### 2. Accounting policies (continued)

##### 2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables and receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

##### 2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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## ADVANCED MANUFACTURING (SHEFFIELD) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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#### 2. Accounting policies (continued)

##### 2.14 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 2.15 Pensions

###### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

##### 2.16 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

##### 2.17 Borrowing costs

Arrangement fees are charged over the period of the facility. All other borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

##### 2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

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ADVANCED MANUFACTURING (SHEFFIELD) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

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3. Significant management judgements

Long term contracts

Management assess contracts weekly as they progress to determine the stage of completion and therefore revenue to be recognised. Where similar projects have been undertaken, these provide an appropriate benchmark for comparison and reference. Where no similar prior project exists, management assessments are made prudently, and linked to key milestones in each contract. Where contracts span a year-end, there are further reviews in the light of subsequent events. The directors consider this approach to be a reasonable basis for estimating the stage of completion and therefore revenue to be recognised.

Fixed asset useful life

Management assess the useful life of fixed assets to determine the appropriate depreciation policy to apply for each class of assets.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

4. Other operating income

	30 June 2018 £	18 months ended 30 June 2017 £
Release of government grants	229,177	227,758

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	30 June 2018 £	18 months ended 30 June 2017 £
Depreciation of tangible fixed assets	267,747	725,147
Exchange differences	2	1,222
Other operating lease rentals	63,240	120,297
Defined contribution pension cost	27,369	20,999

6. Employees

The average monthly number of employees, including directors, during the year was 27 (2017 - 21).



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ADVANCED MANUFACTURING (SHEFFIELD) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

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7. Taxation

	30 June 2018 £	18 months ended 30 June 2017 £
<b>Corporation tax</b>		
Adjustments in respect of previous periods	(23,800)	(12,217)
	<u>(23,800)</u>	<u>(12,217)</u>
<b>Total current tax</b>	<u>(23,800)</u>	<u>(12,217)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(25,400)	(36,096)
<b>Total deferred tax</b>	<u>(25,400)</u>	<u>(36,096)</u>
<b>Taxation on loss on ordinary activities</b>	<u>(49,200)</u>	<u>(48,313)</u>

**ADVANCED MANUFACTURING (SHEFFIELD) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**8. Tangible fixed assets**

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	CNC lathes £	Total £
<b>Cost or valuation</b>					
At 1 July 2017	142,832	1,011,457	14,900	2,612,200	3,781,389
Additions	35,051	125,002	-	8,355	168,408
Disposals	-	(1,457)	-	-	(1,457)
At 30 June 2018	177,883	1,135,002	14,900	2,620,555	3,948,340
<b>Depreciation</b>					
At 1 July 2017	102,624	488,857	8,381	968,106	1,567,968
Charge for the year	19,837	159,053	3,725	85,132	267,747
Disposals	-	(1,457)	-	-	(1,457)
At 30 June 2018	122,461	646,453	12,106	1,053,238	1,834,258
<b>Net book value</b>					
At 30 June 2018	55,422	488,549	2,794	1,567,317	2,114,082
At 30 June 2017	40,208	522,600	6,519	1,644,094	2,213,421

During the year the directors have reviewed the useful life of CNC lathes. Based on available market information they have increased the useful life of the assets. Had the directors continued to use the useful life of 10 years the depreciation charge in relation to this class of asset would have been £261,499 for the year.

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**ADVANCED MANUFACTURING (SHEFFIELD) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**8. Tangible fixed assets (continued)**

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £	2017 £
Plant and machinery	88,847	102,174
CNC lathes	1,068,793	1,125,719
	<u>1,157,640</u>	<u>1,227,893</u>

The original cost of the CNC lathes was £1,669,700 and they were revalued upwards by £942,500, on an open market valuation at 31 December 2012, to £2,612,200. This was the deemed cost of the assets on transition to FRS 102. If the CNC lathes had been included under the historical cost convention they would be presented as follows:

	2018 £	2017 £
Cost	2,188,055	2,179,700
Accumulated depreciation	(852,995)	(780,944)
<b>Net book value</b>	<u><u>1,335,060</u></u>	<u><u>1,398,756</u></u>

**9. Stocks**

	2018 £	2017 £
Raw materials and consumables	27,482	23,377
	<u>27,482</u>	<u>23,377</u>

Amounts charged to the income statement in relation to stock purchases in the year totalled £509,511 (2017: £175,215).

During the year there was £2,000 provision or write-off to the income statement in respect of obsolete and slow moving stock (2017: £Nil).

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ADVANCED MANUFACTURING (SHEFFIELD) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

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10. Debtors

	2018 £	2017 £
Trade debtors	546,831	239,376
Other debtors	254,423	75,301
Amounts recoverable on long term contracts	129,565	159,145
	<u>930,819</u>	<u>473,822</u>

During the year the bad debt expense amounted to £Nil (2017 - £Nil).

11. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	816	491
Less: bank overdrafts	(114,093)	(100,702)
	<u>(113,277)</u>	<u>(100,211)</u>

12. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank overdrafts	114,093	100,702
Trade creditors	292,715	209,131
Other taxation and social security	105,201	48,692
Obligations under finance lease and hire purchase contracts	177,448	259,847
Other creditors	14,572	30,795
Accruals and deferred income	761,560	249,529
	<u>1,465,589</u>	<u>898,696</u>

**ADVANCED MANUFACTURING (SHEFFIELD) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**13. Creditors: Amounts falling due after more than one year**

	2018 £	2017 £
Net obligations under finance leases and hire purchase contracts	54,110	231,557
Other creditors	1,200,000	1,260,500
Government grants received	327,685	418,268
	<u>1,581,795</u>	<u>1,910,325</u>

**Secured loans**

Assets held under hire purchase agreement are secured against the assets to which they relate.

Bank loans and overdrafts are secured by way of a fixed and floating charge over various assets of the company.

**14. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	183,182	274,822
Within one and two years	54,790	183,182
Within three to five years	-	54,790
Less interest element	(6,414)	(21,390)
	<u>231,558</u>	<u>491,404</u>

**15. Deferred taxation**

	2018 £	2017 £
At beginning of year	(25,400)	(61,496)
Credited to the profit or loss	25,400	36,096
<b>At end of year</b>	<u>-</u>	<u>(25,400)</u>

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**ADVANCED MANUFACTURING (SHEFFIELD) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. Deferred taxation (continued)**

The deferred taxation balance is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	146,838	137,862
Tax losses carried forward	(187,691)	(137,862)
Short term timing differences	(556)	-
Deferred tax on revalued item	41,409	(25,400)
	<u>-</u>	<u>(25,400)</u>

**16. Reserves**

**Revaluation reserve**

Comprises revaluation differences arising from the previous revaluation of tangible fixed assets.

**Profit and loss account**

Includes all current and prior period retained profits and losses.

**17. Share capital**

	2018 £	2017 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
10,000 Ordinary shares of £0.01 each	<u>100</u>	<u>100</u>

**18. Contingent liabilities**

The company has recognised grant income during the year in relation to capital expenditure. The funding body has clawback arrangements in place and the company may have to pay monies back in the event of a failure to achieve certain targets.

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**ADVANCED MANUFACTURING (SHEFFIELD) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. Capital commitments**

At 30 June 2018 the Company had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	<u>306,077</u>	<u>-</u>

**20. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £27,369 (2017 - £20,999). Contributions totalling £5,150 (2017 - £6,315) were payable to the fund at the balance sheet date.

**21. Commitments under operating leases**

At 30 June 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	63,240	63,240
Between 1 and 2 years	31,620	63,240
Between 2 and 5 years	-	31,620
	<u>94,860</u>	<u>158,100</u>

**22. Related party transactions**

Advances were made from Mrs J Lane & Mrs S Lane totalling £488,000 (2017 - £336,000) and repayments made of £548,500 during the year. Interest of £59,975 (2017 - £74,596) was charged on the loans. The total of £1,200,000 (2017 - £1,260,500) was outstanding at the Statement of Financial Position date and is included with other creditors falling due after more than one year.

Amounts due from the directors at the year end included in other debtors was £1,370 (2017 - £152). The maximum amount owed during the year was £1,490.

**23. Controlling party**

The shares in the company are held in such proportion that there is no single controlling party of the company.