Company Registration No. 05874829 (England and Wales)

AFOS LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

PAGES FOR FILING WITH REGISTRAR

AFOS LIMITED

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AFOS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Intangible assets	3		89,618		121,349
Tangible assets	4		103,264		73,634
			192,882		194,983
Current assets					
Stocks		396,677		322,182	
Debtors	5	1,213,124		1,462,779	
Cash at bank and in hand		144,611		76,545	
		1,754,412		1,861,506	
Creditors: amounts falling due within one year	6	(1,298,394)		(1,359,575)	
Net current assets			456,018		501,931
Total assets less current liabilities			648,900		696,914
Creditors: amounts falling due after more than one year	7		(181,371)		(230,977)
Provisions for liabilities			(35,728)		(35,925)
Net assets			431,801		430,012
Capital and reserves					
Called up share capital	8		100		100
Profit and loss reserves			431,701		429,912
Total equity			431,801		430,012

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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.

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.

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

AFOS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2018

The financial statements were approved by the board of directors and authorised for issue on 26 April 2019 and are signed on its behalf by:

M. Sutt

M.R. Sutton
Director

Company Registration No. 05874829

1 Accounting policies

Company information
AFOS Limited is a private company limited by shares incorporated in England and Wales. The registered office is Wiltshire House, Unit 3 Anchor Business Park, Wiltshire Road, Hull, East Yorkshire, HU4 6PA.

1.1 Accounting convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover
Turnover represents amount receivable by the company, exclusive of VAT, for goods and services to outside customers.

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

1.3 Research and development expenditure
Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated and is amortised at the following rate :

Development Costs	20% on cost per annum

1.4 Tangible fixed assets
Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	15% p.a. on written down value
Fixtures, fittings & equipment	10% p.a. on written down value / 25% p.a. on cost
Motor vehicles	

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1 Accounting policies **(Continued)**

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' to all of its financial instruments. The company has no 'Other Financial Instruments' as defined by Section 12 of FRS 102.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors , cash and bank balances and loans to group companies, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies **(Continued)**

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost.

1.9 Equity instruments
Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax
Deferred taxation is provided in full on all material timing differences that have originated but not reversed at the balance sheet date. A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are not discounted.

1.11 Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits
The company makes payments to money purchase pension schemes. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes.

1 Accounting policies **(Continued)**

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 23 (2017 - 22).

3 Intangible fixed assets

	Goodwill	Development Costs	Total
	£	£	£
Cost			
At 1 January 2018	5,000	299,706	304,706
Additions	-	2,560	2,560
At 31 December 2018	5,000	302,266	307,266
Amortisation and impairment			
At 1 January 2018	5,000	178,357	183,357
Amortisation charged for the year	-	34,291	34,291
At 31 December 2018	5,000	212,648	217,648
Carrying amount			
At 31 December 2018	-	89,618	89,618
At 31 December 2017	-	121,349	121,349

Development costs represent the costs associated with re-engineering product designs and are amortised over five years unless the design becomes obsolescent before that point, in which case the unamortised amount is written off immediately.

4 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 January 2018	267,122
Additions	48,295
At 31 December 2018	315,417
Depreciation and impairment	
At 1 January 2018	193,488
Depreciation charged in the year	18,665
At 31 December 2018	212,153
Carrying amount	
At 31 December 2018	103,264
At 31 December 2017	73,634

5 Debtors

	2018	2017
Amounts falling due within one year:	£	£
Trade debtors	809,318	1,083,875
Amounts owed by group undertakings	279,935	269,507
Other debtors	123,871	109,397
	1,213,124	1,462,779

6 Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	49,370	19,663
Trade creditors	633,036	416,570
Corporation tax	13,661	2,976
Other taxation and social security	32,593	88,332
Other creditors	569,734	832,034
	1,298,394	1,359,575

Included in creditors falling due within one year are creditors of £331,299 (2017 - £555,597) that are secured by a fixed and floating charge over the assets of the company and further creditors of £49,370 (2017 - £19,663) that are secured by a secondary fixed and floating charge.

7 Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Bank loans and overdrafts	181,371	230,977

Included in creditors falling due after one year are creditors of £181,371 (2017 - £230,977) that are secured by a secondary fixed and floating charge.

8 Called up share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of of £1 each	100	100
	100	100

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2018	2017
	£	£
	188,707	184,719

10 Related party transactions

The director M.R. Sutton has given personal guarantees of £25,000 in respect of the company's invoice discount facility.

The directors L.J. Featherstone, D. McNally, S.J.M. Clark and R. White have given personal guarantees of £12,500 each in respect of the loan finance facility.

11 Control

The company's parent undertaking is AFOS Holdings Limited.

The parent company's registered office is Wiltshire House, Unit 3 Anchor Business Park, Wiltshire Road, Hull, HU4 6PA.