

Company Registration No. 05874829 (England and Wales)

**AFOS LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**  
**PAGES FOR FILING WITH REGISTRAR**



# AFOS LIMITED

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# AFOS LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	4		2,502		19,268
Tangible assets	5		137,059		59,431
			<u>139,561</u>		<u>78,699</u>
<b>Current assets</b>					
Stocks		335,673		238,316	
Debtors	6	1,250,441		852,553	
Cash at bank and in hand		621,195		286,577	
		<u>2,207,309</u>		<u>1,377,446</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(1,628,612)</u>		<u>(822,821)</u>	
<b>Net current assets</b>			<u>578,697</u>		<u>554,625</u>
<b>Total assets less current liabilities</b>			<u>718,258</u>		<u>633,324</u>
<b>Creditors: amounts falling due after more than one year</b>	8		(159,950)		(218,542)
<b>Provisions for liabilities</b>			<u>(34,890)</u>		<u>(14,953)</u>
<b>Net assets</b>			<u><u>523,418</u></u>		<u><u>399,829</u></u>
<b>Capital and reserves</b>					
Called up share capital			100		100
Profit and loss reserves			<u>523,318</u>		<u>399,729</u>
<b>Total equity</b>			<u><u>523,418</u></u>		<u><u>399,829</u></u>

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 2023 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 2023**

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The financial statements were approved by the board of directors and authorised for issue on 22 March 2024 and are signed on its behalf by:



L.J. Featherstone  
**Director**

**Company Registration No. 05874829**

# AFOS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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### 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
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#### 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	25% p.a. on cost

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.

#### 1.5 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).

# AFOS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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### 1 Accounting policies

(Continued)

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 and cash equivalents 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.

##### **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.

# AFOS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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### 1 Accounting policies

(Continued)

#### **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.

# AFOS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 1 Accounting policies

(Continued)

#### 1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

#### 1.14 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

#### 1.15 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 in the period are included in profit or loss.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Total	21	21



# AFOS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 4 Intangible fixed assets

	Goodwill	Development Costs	Total
	£	£	£
<b>Cost</b>			
At 1 January 2023 and 31 December 2023	5,000	386,262	391,262
<b>Amortisation and impairment</b>			
At 1 January 2023	5,000	366,994	371,994
Amortisation charged for the year	-	16,766	16,766
At 31 December 2023	5,000	383,760	388,760
<b>Carrying amount</b>			
At 31 December 2023	-	2,502	2,502
At 31 December 2022	-	19,268	19,268

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.

### 5 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2023	11,702	105,550	6,490	123,742
Additions	79,822	4,213	16,995	101,030
At 31 December 2023	91,524	109,763	23,485	224,772
<b>Depreciation and impairment</b>				
At 1 January 2023	3,794	54,028	6,489	64,311
Depreciation charged in the year	13,160	5,993	4,249	23,402
At 31 December 2023	16,954	60,021	10,738	87,713
<b>Carrying amount</b>				
At 31 December 2023	74,570	49,742	12,747	137,059
At 31 December 2022	7,908	51,522	1	59,431

# AFOS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 6 Debtors

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
Trade debtors	819,505	223,212
Amounts owed by group undertakings	373,685	373,685
Other debtors	57,251	255,656
	<u>1,250,441</u>	<u>852,553</u>

### 7 Creditors: amounts falling due within one year

	2023 £	2022 £
Bank loans	58,118	77,319
Trade creditors	962,875	499,746
Corporation tax	56,711	45,700
Other taxation and social security	89,639	36,882
Other creditors	461,269	163,174
	<u>1,628,612</u>	<u>822,821</u>

Included in creditors falling due within one year are creditors of £327,978 (2022 - £213,666) that are secured by a secondary fixed and floating charge.

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

	2023 £	2022 £
Bank loans and overdrafts	157,584	215,703
Other creditors	2,366	2,839
	<u>159,950</u>	<u>218,542</u>

Included in creditors falling due after one year are creditors of £143,417 (2022 - £191,536) that are secured by a secondary fixed and floating charge.

### 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:

	2023 £	2022 £
	<u>228,909</u>	<u>201,604</u>

# **AFOS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** ***FOR THE YEAR ENDED 31 DECEMBER 2023***

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### **10 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.