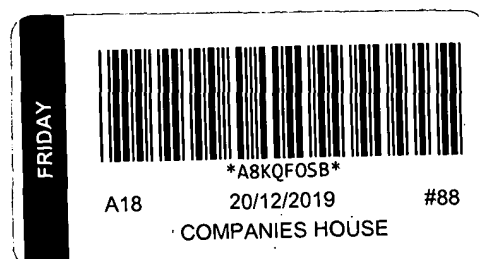


**CYBER1ST MANUFACTURING LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2019**



# **CYBER1ST MANUFACTURING LIMITED**

## **COMPANY INFORMATION**

**Directors**

R B Hoyle  
W Adams  
A R Watson  
R A Edge

**Registered number**

09752614

**Registered office**

St Thomas House  
St Mary's Wharf  
Mansfield Road  
Derby  
DE1 3TN

**Independent auditor**

Cooper Parry Group Limited  
Chartered Accountants & Statutory Auditor  
Sky View  
Argosy Road  
East Midlands Airport  
Castle Donington  
Derby  
DE74 2SA

# **CYBER1ST MANUFACTURING LIMITED**

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**CYBER1ST MANUFACTURING LIMITED**  
**REGISTERED NUMBER: 09752614**

**BALANCE SHEET**  
**AS AT 31 MARCH 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible fixed assets	3	716,807	1,045,992
<b>Current assets</b>			
Stocks	4	293,601	362,887
Debtors: amounts falling due within one year	5	80,000	86,403
Cash at bank and in hand		242	5,951
		<u>373,843</u>	<u>455,241</u>
<b>Creditors: amounts falling due within one year</b>	6	(2,614,320)	(1,593,769)
<b>Net current liabilities</b>		(2,240,477)	(1,138,528)
<b>Total assets less current liabilities</b>		<u>(1,523,670)</u>	<u>(92,536)</u>
<b>Creditors: amounts falling due after more than one year</b>	7	(149,987)	(244,716)
<b>Net liabilities</b>		<u>(1,673,657)</u>	<u>(337,252)</u>
<b>Capital and reserves</b>			
Called up share capital	10	100	100
Profit and loss account		(1,673,757)	(337,352)
<b>Shareholders' deficit</b>		<u>(1,673,657)</u>	<u>(337,252)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies regime.

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



**W Adams**  
Director

Date: 18/12/2019

The notes on pages 2 to 9 form part of these financial statements.

# **CYBER1ST MANUFACTURING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

### **1. Accounting policies**

#### **1.1 Basis of preparation of financial statements**

Cyber1st Manufacturing Limited (the 'company') is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is shown on the company information page.

The financial statements are prepared in Sterling (£), which is the functional currency of the company and are for the year ended 31 March 2019 (2018: period from 1 September 2017 to 31 March 2018). The prior period was shortened in order to bring the accounting date in line with the wider group.

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with Financial Reporting Standard (FRS 102), the Financial Reporting Standard applicable in the UK and the Republic of Ireland including Section 1A of FRS102, and the Companies Act 2006.

The company is a subsidiary of Simpatica Group Limited. In prior years the company invested heavily in both fixed assets and stock in anticipation of the commencement of a major contract, which started production in the current year. The company incurred a loss in the year of £1,336,405 (2018: £337,352) and had a deficit on shareholders funds of £1,673,657 (2018: £337,252) at the year end date. Volumes under the major contract have not materialised anywhere near the level expected and the board have taken the decision to suspend production in order to prevent future losses. The company's future remains under review whilst the future of the contract is clarified. In the short term, staff and fixed assets are expected to be deployed on other contracts within the Simpatica Group. The board have reviewed fixed assets and stock on a line by line basis and have provided for impairment at the year end as necessary. Impairment is shown within exceptional items, at note 3 of these financial statements. The remaining assets and stock are to be transferred to other group companies post year end at their book value should further orders not arise.

Simpatica Group Limited have confirmed their ongoing financial support of the company and have confirmed that they will not call for repayment of any intercompany loans until cashflow permits. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. The company is expected to continue in existence as a dormant entity in subsequent periods.

The following principal accounting policies have been applied:

#### **1.2 Turnover**

Turnover is recognised to the extent that it is probable that economic benefits will flow to the company and that the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, Value Added Tax and other sales taxes. The following criteria must also be met before turnover is recognised:

##### **Sale of goods**

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

## **CYBER1ST MANUFACTURING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

#### **1. Accounting policies (continued)**

##### **1.3 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives on the following basis:

Leasehold improvements	- 10 years straight line
Plant and machinery	- 4 years straight line
Fixtures and fittings	- 5 years straight line
Office equipment	- 4 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 profit and loss account, within administrative expenses.

At each balance sheet date, the company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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. Impairment losses are recognised as an expense immediately.

Repairs and maintenance are charged to the profit and loss account during the year in which they are incurred.

##### **1.4 Stocks**

Stocks are valued at the lower of cost and net realisable value, being estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

At each balance sheet 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 the profit and loss account.

## **CYBER1ST MANUFACTURING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

#### **1. Accounting policies (continued)**

##### **1.5 Financial instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors, hire purchase liabilities and loans with related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost. 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, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

##### **1.6 Hire purchase liabilities**

Assets obtained under hire purchase contracts are capitalised as tangible fixed assets. Assets acquired by hire purchase contracts are depreciated over their useful lives. Hire purchase contracts are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### **1.7 Provision for liabilities**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Legal advice is sought where appropriate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

## **CYBER1ST MANUFACTURING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

#### **1. Accounting policies (continued)**

##### **1.8 Current and deferred taxation**

The tax charge for the year comprises of current and deferred tax.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probably that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated 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.

##### **1.9 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

#### **2. Employees**

The company has no employees other than its directors who are remunerated through other group companies. The wage cost in the accounts represents costs recharged from other group companies.



**CYBER1ST MANUFACTURING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**3. Tangible fixed assets**

	<b>Leasehold improvements £</b>	<b>Plant and machinery £</b>	<b>Fixtures and fittings £</b>	<b>Office equipment £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 April 2018	351,085	518,329	105,053	71,525	1,045,992
Additions	-	13,768	3,900	9,560	27,228
At 31 March 2019	<u>351,085</u>	<u>532,097</u>	<u>108,953</u>	<u>81,085</u>	<u>1,073,220</u>
<b>Depreciation</b>					
Charge for the year	35,080	132,033	15,071	19,133	201,317
Impairment (note 3)	-	155,096	-	-	155,096
At 31 March 2019	<u>35,080</u>	<u>287,129</u>	<u>15,071</u>	<u>19,133</u>	<u>356,413</u>
<b>Net book value</b>					
At 31 March 2019	<u>316,005</u>	<u>244,968</u>	<u>93,882</u>	<u>61,952</u>	<u>716,807</u>
At 31 March 2018	<u>351,085</u>	<u>518,329</u>	<u>105,053</u>	<u>71,525</u>	<u>1,045,992</u>

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

	<b>2019 £</b>	<b>2018 £</b>
Plant and machinery	<u>162,045</u>	<u>422,758</u>

**4. Stocks**

	<b>2019 £</b>	<b>2018 £</b>
Raw materials	267,312	362,887
Work in progress	26,289	-
	<u>293,601</u>	<u>362,887</u>

**CYBER1ST MANUFACTURING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**5. Debtors**

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
Tax recoverable	80,000	-
Deferred taxation (note 10)	-	86,403
	<u>80,000</u>	<u>86,403</u>

**6. Creditors: amounts falling due within one year**

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
Amounts owed to group undertakings	2,345,808	1,499,040
Other taxation and social security	25,238	-
Hire purchase liabilities (note 9)	94,729	94,729
Payments on account	125,045	-
Accruals	23,500	-
	<u>2,614,320</u>	<u>1,593,769</u>

For details of security see note 8.

**7. Creditors: amounts falling due after more than one year**

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
Hire purchase liabilities (note 9)	<u>149,987</u>	<u>244,716</u>

Obligations under hire purchase contracts are secured on the assets to which they relate.

**8. Hire purchase liabilities**

Minimum lease payments under hire purchase fall due as follows:

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
Within one year	94,729	94,729
Between two and five years	149,987	244,716
	<u>244,716</u>	<u>339,445</u>

**CYBER1ST MANUFACTURING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**9. Deferred taxation**

	£
<b>At beginning of year</b>	86,403
Released to the profit and loss account	(86,403)
<b>At end of year</b>	<u><u>-</u></u>

The deferred tax asset is made up as follows:

	2019 £	2018 £
Tax losses carried forward	<u><u>-</u></u>	<u><u>86,403</u></u>

**10. Share capital**

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
749 A shares of £0.10 each	75	75
251 B shares of £0.10 each	25	25
	<u><u>100</u></u>	<u><u>100</u></u>

Each A share has full rights in the company with respect to voting, dividends and distributions.

Each B share is a voting only share and carries one vote per share. The B shares have no rights to dividends or distributions or other economic rights.

**11. Contingent liabilities**

The company is part of a composite guarantee whereby liabilities are secured over the assets of the group. As at 31 March 2019 the company's liability in respect of this guarantee is £5,363,407 (2018: £4,727,218).

## CYBER1ST MANUFACTURING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

#### 12. Related party transactions

The following transactions took place between the company and entities under common control:

	2019 £	2018 £
Purchases - cost of sales	1,296,579	362,887
Purchases - fixed assets	-	43,696
Amounts owed to	2,345,807	1,499,040
	<u>3,642,386</u>	<u>1,905,623</u>

Amounts owed do not attract interest and have no set repayment date.

#### 13. Post balance sheet events

At the year end there was considerable uncertainty over the future of the company's major customer contract in relation to which the company had invested significant monies. Since the year end the board have decided to suspend production on the contract until the customer is in a position to provide greater clarity over its requirements. As a matter of prudence the board have impaired any stock and fixed assets which cannot be utilised within other parts of the Simpatica Group. Due to the uncertainty existing at the year end, the impairments have been reflected in these financial statements. Further detail is provided within note 1.1.

#### 14. Ultimate parent undertaking

The immediate and ultimate parent undertaking is Simpatica Group Limited, a company registered in England and Wales. The registered office of Simpatica Group Limited is St Thomas House, St Mary's Wharf, Mansfield Road, Derby, DE1 3TN.

Simpatica Group Limited is the largest and smallest group for which consolidated financial statements are prepared. Consolidated financial statements of Simpatica Group Limited are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

#### 15. Auditor's information

As the profit and loss account has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006.

The auditor's report was unqualified. It did however contain an 'Emphasis of matter' paragraph relating to matters disclosed in accounting policy note 1.1 'Basis of preparation of financial statements.'

The auditor was Cooper Parry Group Limited

Peter Sterling signed the auditor's report as senior statutory auditor.