Afimilk UK Ltd Accounts Cover

Afimilk UK Ltd

Company No. SC333487

Directors' Report and Audited Abridged Accounts

31 December 2019

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Afimilk UK Ltd Company Information
Directors

S. Hadad
Y. Sovinsky

Registered Office

Suite 435 Baltic Chambers
50 Wellington Street
Glasgow
United Kingdom
G2 6HJ

Auditor

FKGB Accounting Limited
2nd Floor
201 Haverstock Hill
NW3 4QG

Afimilk UK Ltd Directors Report

The Directors present their report and the accounts for the year ended 31 December 2019.

Principal activities

The principal activity of the company during the year under review was development, manufacturing and marketing of computerised systems for the dairy industry.

Directors

The Directors who served at any time during the year were as follows:

S. Hadad
Y. Sovinsky

Statement of directors' responsibilities

The Directors are responsible for preparing the Directors' report and the accounts in accordance with
Company law requires the directors to prepare accounts for each financial year. Under that law the directors

* select suitable accounting policies and then apply them consistently;
* make judgments and estimates that are reasonable and prudent;
* prepare the financial statements on the going concern basis unless it is inappropriate to presume that the

The directors are responsible for keeping adequate accounting records that show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant information and to establish that the company's auditors are aware of that information.

The above report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime as set out in Part 15 of the Companies Act 2006.

Signed on behalf of the board

S. Hadad
Director
31 March 2021

Afimilk UK Ltd Audit Report
Unqualified
Independent Auditor's Report to the members of Afimilk UK Ltd

Opinion

We have audited the accounts of Afimilk UK Ltd (the 'company') for the year ended 31 December 2019 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the Notes to the Accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' .

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the directors' have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report and accounts, other than the accounts and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based upon the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the accounts in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement found in the directors' report, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Gordon Levy
Senior Statutory Auditor
For and on behalf of FKGB Accounting Limited
Accountants and Statutory Auditors
2nd Floor
201 Haverstock Hill
NW3 4QG
31 March 2021

Afimilk UK Ltd Profit and Loss Account
for the year ended 31 December 2019

	Notes	2019	2018
		£	£
Gross profit		512,283	282,525
Distribution costs and selling expenses		(625)	(53,744)
Administrative expenses		(319,200)	(625,519)
Other operating income		3,383,245	104,546
Operating profit/(loss)		3,575,703	(292,192)
Profit/(Loss) on ordinary activities before taxation	3	3,575,703	(292,192)
Taxation		78,500	48,741
Profit/(Loss) for the financial year after taxation		3,654,203	(243,451)

Afimilk UK Ltd Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2019

	2019	2018
	£	£
Profit/(Loss) for the financial year after taxation	3,654,203	(243,451)
Total comprehensive income for the period	3,654,203	(243,451)

Afimilk UK Ltd Balance Sheet
at 31 December 2019

Company No. SC333487	**Notes**	**2019**	**2018**
		£	**£**
Fixed assets			
Tangible assets	4	8,963	-
		8,963	-
Current assets			
Stocks		118,851	239,246
Debtors		233,071	1,378,064
Cash at bank and in hand		1,183,725	440,889
		1,535,647	2,058,199
Creditors: Amount falling due within one year		(2,717,554)	(6,885,346)
Net current liabilities		(1,181,907)	(4,827,147)
Total assets less current liabilities		(1,172,944)	(4,827,147)
Net liabilities		(1,172,944)	(4,827,147)
Capital and reserves			
Called up share capital		1,800	1,800
Profit and loss account	5	(1,174,744)	(4,828,947)
Total equity		(1,172,944)	(4,827,147)

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime of the Companies Act 2006.

All the members have consented to the preparation of abridged financial statements for the year ended 31 December 2019 in accordance with the Companies Act 2006.

Approved by the board on 31 March 2021

And signed on its behalf by:

S. Hadad
Director
31 March 2021

Afimilk UK Ltd Statement of Changes in Equity for the year ended 31 December 2019

	Share Capital	Retained earnings	Total equity
	£	£	£
At 1 January 2018	1,800	(4,585,496)	(4,583,696)
Loss for the period		(243,451)	(243,451)
At 31 December 2018 and 1 January 2019	1,800	(4,828,947)	(4,827,147)
Profit for the period		3,654,203	3,654,203
At 31 December 2019	1,800	(1,174,744)	(1,172,944)

Afimilk UK Ltd Notes to the Accounts
for the year ended 31 December 2019

1 General information

Its registered number is: SC333487
Its registered office is:
Suite 435 Baltic Chambers
50 Wellington Street
Glasgow
United Kingdom
G2 6HJ

The functional and presentational currency of the company is Sterling. The accounts are rounded to the nearest pound.

The abridged accounts have been prepared in accordance with FRS 102 Section 1A - The Financial Reporting Standard applicable in the UK and Republic of Ireland (March 2018) and the Companies Act 2006, including the provisions permitting an abridged profit and loss accountant balance sheet to be prepared.

Going concern
The accounts are prepared on a going concern basis, which assumes that the company will continue in operational existence for the foreseeable future. Management believe the company is well placed to meet its future working capital requirements for a period of at least 12 months from the date of signing these financial statements. Additionally, their parent company will continue to support the operations of the UK entity.

2 Accounting policies

Turnover
Turnover is measured at the fair value of the consideration received or receivable. Turnover is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from the sale of goods is recognised when all the following conditions are satisfied:
• the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
• the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
• the amount of revenue can be measured reliably;
• it is probable that the economic benefits associated with the transaction will flow to the Company; and
• the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Specifically, revenue from the sale of goods is recognised when goods are delivered and legal title is passed.

Intangible fixed assets
Intangible fixed assets are carried at cost less accumulated amortisation and impairment losses.

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss account because of items of income or expense that are taxable or deductible in other years and 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 end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible timing differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
Current or deferred tax for the year is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Freehold investment property

Investment properties are revalued annually and any surplus or deficit is dealt with through the profit and loss account.

No depreciation is provided in respect of investment properties.

Investments

Unlisted investments are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, any changes in fair value are recognised in profit and loss.

Stocks
Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Costs, which comprise direct production costs, are based on the method most appropriate to the type of inventory class, but usually on a first-in-first-out basis. Overheads are charged to profit or loss as incurred. Net realisable value is based on the estimated selling price less any estimated completion or selling costs.

When stocks are sold, the carrying amount of those stocks is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of stocks to net realisable value and all losses of stocks are recognised as an expense in the period in which the write-down or loss occurs. The amount of any reversal of any write-down of stocks is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Work in progress is reflected in the accounts on a contract by contract basis by recording revenue and related costs as contract activity progresses.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts.

Trade and other 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.

Foreign currencies

The functional and presentational currency of the company is Sterling. The accounts are rounded to the nearest pound.
Transactions in currencies, other than the functional currency of the Company, are recorded at the rate of exchange on the date the transaction occurred. Monetary items denominated in other currencies are translated at the rate prevailing at the end of the reporting period. All differences are taken to the profit and loss account. Non-monetary items that are measured at historic cost in a foreign currency are not retranslated.

Leased assets

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease.

Leases which do not transfer substantially all the risks and rewards of ownership to the Company are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet date as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs (see the accounting policy above).

Assets held under finance leases are depreciated in the same way as owned assets.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Defined contribution pensions

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 payments obligations.

The contributions are recognised as expenses when they fall due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Provisions

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 profit and loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at balance sheet 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 balance sheet.

3 Employees

	2019 Number	2018 Number
The average monthly number of employees (including directors) during the year was:	8	6

4 Tangible fixed assets

	Total £
Cost or revaluation	
At 1 January 2019	74,573
Additions	11,911
At 31 December 2019	86,484
Depreciation	
At 1 January 2019	74,573
Charge for the year	2,948
At 31 December 2019	77,521
Net book values	
At 31 December 2019	8,963
At 31 December 2018	-

5 Reserves

Profit and loss account - includes all current and prior period retained profits and losses.