

ADPAK MACHINERY SYSTEMS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	3	1,338,670		1,381,280	
Investment properties	4	-		120,000	
		<u>1,338,670</u>		<u>1,501,280</u>	
Current assets					
Stocks		912,000		906,672	
Debtors	5	1,944,695		1,527,014	
Cash at bank and in hand		684,749		277,662	
		<u>3,541,444</u>		<u>2,711,348</u>	
Creditors: amounts falling due within one year	6	<u>(2,534,292)</u>		<u>(1,995,258)</u>	
Net current assets		<u>1,007,152</u>		<u>716,090</u>	
Total assets less current liabilities		<u>2,345,822</u>		<u>2,217,370</u>	
Creditors: amounts falling due after more than one year	7	(276,369)		(396,644)	
Provisions for liabilities		(99,650)		(99,650)	
Net assets		<u>1,969,803</u>		<u>1,721,076</u>	
Capital and reserves					
Called up share capital		54		54	
Revaluation reserve		577,680		589,613	
Capital redemption reserve		46		46	
Profit and loss reserves		<u>1,392,023</u>		<u>1,131,363</u>	
Total equity		<u>1,969,803</u>		<u>1,721,076</u>	

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

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



ADPAK MACHINERY SYSTEMS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2018

The financial statements were approved by the board of directors and authorised for issue on 22 November 2018.
and are signed on its behalf by:



Mr J Farrow
Director

Company Registration No. 02179444

ADPAK MACHINERY SYSTEMS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2016		54	601,546	46	972,657	1,574,303
Year ended 31 March 2017:						
Profit and total comprehensive income for the year		-	-	-	195,373	195,373
Dividends		-	-	-	(48,600)	(48,600)
Transfers		-	-	-	11,933	11,933
Other movements		-	(11,933)	-	-	(11,933)
Balance at 31 March 2017		54	589,613	46	1,131,363	1,721,076
Year ended 31 March 2018:						
Profit and total comprehensive income for the year		-	-	-	248,727	248,727
Other movements		-	(11,933)	-	11,933	-
Balance at 31 March 2018		54	577,680	46	1,392,023	1,969,803

ADPAK MACHINERY SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Company information

Adpak Machinery Systems Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3 Pendleside, Lomeshaye Industrial Estate, Nelson, Lancashire, BB9 6RY.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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.

Revenue from service contracts are recognised over the period of the contract on a straight line basis.

1.3 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 recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% per annum on revalued amount
Plant and equipment	25% per annum on reducing balance
Motor vehicles	33% per annum on reducing balance

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.

1.4 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

ADPAK MACHINERY SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) 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 (or cash-generating unit) 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 (or cash-generating unit) 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.

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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 and cash and bank balances, are measured at transaction price including transaction costs.

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.

ADPAK MACHINERY SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 at transaction price.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue 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 tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date 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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

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.

ADPAK MACHINERY SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 37 (2017 - 37).

3 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 2017	1,100,000	596,167	458,397	2,154,564
Additions	-	10,625	100,236	110,861
Disposals	-	-	(59,573)	(59,573)
At 31 March 2018	1,100,000	606,792	499,060	2,205,852
Depreciation and impairment				
At 1 April 2017	62,100	467,017	244,167	773,284
Depreciation charged in the year	20,758	34,944	83,204	138,906
Eliminated in respect of disposals	-	-	(45,008)	(45,008)
At 31 March 2018	82,858	501,961	282,363	867,182
Carrying amount				
At 31 March 2018	1,017,142	104,831	216,697	1,338,670
At 31 March 2017	1,037,900	129,150	214,230	1,381,280

ADPAK MACHINERY SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

3 Tangible fixed assets

(Continued)

Land and buildings with a carrying amount of £1,017,142 were revalued at 8 April 2014 by Petty Chartered Surveyors, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2018	2017
	£	£
Cost	503,350	503,350
Accumulated depreciation	(35,068)	(26,301)
Carrying value	<u>468,282</u>	<u>477,049</u>

4 Investment property

The investment property was disposed of during the year, realising a profit of £2,000.

5 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	1,338,483	1,369,640
Deposits paid to suppliers	453,937	107,202
Other debtors	97,410	15,326
Prepayments and accrued income	54,865	34,846
	<u>1,944,695</u>	<u>1,527,014</u>

ADPAK MACHINERY SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

6 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Bank loans and overdrafts		20,730	30,454
Obligations under finance lease and hire purchase contracts	8	85,397	81,114
Deposits received in advance		909,011	264,474
Trade creditors		871,116	1,026,020
Other taxation and social security		462,480	416,115
Other creditors		64,909	81,515
Accruals and deferred income		120,649	95,566
		<u>2,534,292</u>	<u>1,995,258</u>

The company's bank loan is secured by all legal mortgage on the company's freehold property and a fixed and floating charge on the assets of the company.

The bank loan is repayable over a term of twenty years commencing in 2008 and bears interest at 2.25% above bank base rate.

Obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

7 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Bank loans and overdrafts		213,847	305,591
Obligations under finance lease and hire purchase contracts	8	62,522	91,053
		<u>276,369</u>	<u>396,644</u>

The company's bank loan is secured by all legal mortgage on the company's freehold property and a fixed and floating charge on the assets of the company.

The bank loan is repayable over a term of twenty years commencing in 2008 and bears interest at 2.25% above bank base rate.

Obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

8 Finance lease obligations

	2018 £	2017 £
Future minimum lease payments due under finance leases:		
Within one year	85,397	81,114
In two to five years	62,522	91,053
	<u>147,919</u>	<u>172,167</u>

ADPAK MACHINERY SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

8 Finance lease obligations

(Continued)

Finance lease payments represent rentals payable by the company for certain motor vehicles. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

9 Audit report information

As the income statement 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.

The senior statutory auditor was Mr Carlton Cooper.
The auditor was Cassons Audit Services.

10 Operating lease commitments

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

2018	2017
£	£
36,820	56,078
<u> </u>	<u> </u>

11 Events after the reporting date

On 6 September 2018 the company purchased 4 of its own £1 ordinary shares for a consideration of £174,000.

12 Directors' transactions

During the year the company advanced monies to its director J Farrow. Interest amounting to £1,200 has been charged at a rate of 2.5%. The balance owed to the company by J Farrow at the year end date was £93,676 which was the maximum amount outstanding during the year.