
ACEGATE (MANUFACTURING) LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

ACEGATE (MANUFACTURING) LIMITED
REGISTERED NUMBER: 3224139

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	4	1,194,355	1,346,644
		<u>1,194,355</u>	<u>1,346,644</u>
Current assets			
Stocks	5	124,167	136,901
Debtors: amounts falling due within one year	6	523,573	480,692
Cash at bank and in hand	7	1,348,958	1,216,997
		<u>1,996,698</u>	<u>1,834,590</u>
Creditors: amounts falling due within one year	8	(449,491)	(585,491)
Net current assets		<u>1,547,207</u>	<u>1,249,099</u>
Total assets less current liabilities		<u>2,741,562</u>	<u>2,595,743</u>
Creditors: amounts falling due after more than one year	9	(353,337)	(390,088)
Provisions for liabilities			
Deferred tax	12	(49,722)	(68,961)
		<u>(49,722)</u>	<u>(68,961)</u>
Net assets		<u><u>2,338,503</u></u>	<u><u>2,136,694</u></u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		2,338,403	2,136,594
		<u><u>2,338,503</u></u>	<u><u>2,136,694</u></u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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 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.

ACEGATE (MANUFACTURING) LIMITED
REGISTERED NUMBER: 3224139

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

The Company has opted not to file the statement of comprehensive income 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 on 27 July 2020.

E. Fairclough
Director

N. McCarthy
Director

The notes on pages 3 to 11 form part of these financial statements.

ACEGATE (MANUFACTURING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Acegate Manufacturing Limited is a company limited by shares, incorporated in England and Wales. Its registered office is at Unit C, Mitchell Hey Mills, Rochdale OL12 6AE.

The principal activity of the company is the manufacture of precision engineered sheet metal products.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Sale of goods

Revenue 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 revenue 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.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.4 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.5 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.7 Pensions

Defined contribution pension plan

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 payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.9 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 basis shown below.

Depreciation is provided on the following basis:

L/Term Leasehold Property	-	2%	Straight line
Plant & machinery	-	15%	Reducing balance
Motor vehicles	-	25%	Reducing balance

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 Statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable 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 profit or loss.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 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.

2.14 Provisions for liabilities

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 Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the 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.

2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

ACEGATE (MANUFACTURING) LIMITED

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

2. Accounting policies (continued)

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 28 (2018 - 33).

4. Tangible fixed assets

	Long Term Leasehold Property £	Plant & machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2019	1,073,812	2,269,428	188,611	3,531,851
Additions	-	9,150	-	9,150
Disposals	-	-	(47,069)	(47,069)
At 31 December 2019	1,073,812	2,278,578	141,542	3,493,932
Depreciation				
At 1 January 2019	285,622	1,819,945	79,642	2,185,209
Charge for the year on owned assets	21,022	96,781	15,797	133,600
Charge for the year on financed assets	-	-	6,802	6,802
Disposals	-	-	(26,034)	(26,034)
At 31 December 2019	306,644	1,916,726	76,207	2,299,577
Net book value				
At 31 December 2019	767,168	361,852	65,335	1,194,355
At 31 December 2018	788,191	449,484	108,969	1,346,644

ACEGATE (MANUFACTURING) LIMITED

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

4. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2019	2018
	£	£
Long leasehold	767,168	788,191
	<u>767,168</u>	<u>788,191</u>

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

	2019	2018
	£	£
Plant and machinery	-	145,108
Motor vehicles	20,407	27,210
	<u>20,407</u>	<u>172,318</u>

5. Stocks

	2019	2018
	£	£
Raw materials and consumables	16,403	13,228
Work in progress	107,764	123,673
	<u>124,167</u>	<u>136,901</u>

6. Debtors

	2019	2018
	£	£
Trade debtors	508,646	466,073
Prepayments	14,927	14,619
	<u>523,573</u>	<u>480,692</u>

ACEGATE (MANUFACTURING) LIMITED

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

7. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	1,348,958	1,216,997
	<u>1,348,958</u>	<u>1,216,997</u>

8. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank loans	33,910	33,569
Trade creditors	102,532	183,939
Corporation tax	134,599	184,028
Other taxation and social security	108,878	85,582
Obligations under finance lease and hire purchase contracts	2,502	34,320
Other creditors	57,497	55,274
Accruals	9,573	8,779
	<u>449,491</u>	<u>585,491</u>

9. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Bank loans	353,337	387,588
Net obligations under finance leases and hire purchase contracts	-	2,500
	<u>353,337</u>	<u>390,088</u>

ACEGATE (MANUFACTURING) LIMITED

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

10. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year		
Bank loans	33,910	33,569
	<u>33,910</u>	<u>33,569</u>
Amounts falling due 2-5 years		
Bank loans	135,642	134,275
	<u>135,642</u>	<u>134,275</u>
Amounts falling due after more than 5 years		
Bank loans	217,695	253,312
	<u>217,695</u>	<u>253,312</u>
	<u><u>387,247</u></u>	<u><u>421,156</u></u>

11. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	2,500	34,320
Between 1-5 years	-	2,500
	<u>2,500</u>	<u>36,820</u>

ACEGATE (MANUFACTURING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

12. Deferred taxation

	2019 £
At beginning of year	(68,961)
Charged to profit or loss	19,239
At end of year	<u>(49,722)</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(49,722)	(68,961)
	<u>(49,722)</u>	<u>(68,961)</u>

The deferred tax liability is expected to reduce by £18,000 in the coming year as Annual Investment Allowances on assets purchased several years ago continues to reverse.

13. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £77,717 (2018 - £74,651).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.