

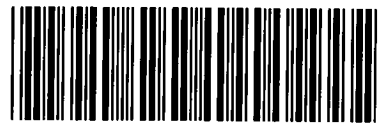
AF Fasteners Limited

Directors' Report & Abridged Accounts

Registered number 03498267

31 December 2016

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Company information

Directors

A Sargeant
R Grace
E Stolyarova

Registered office

14-15 Glossop Brook Business Park
Glossop Brook Road
Glossop
Derbyshire
SK13 7AJ

Registered number

03498267

Directors' report

The directors present their report and accounts for the year ended 31 December 2016.

Principal activities

The Company's principal activity during the year continued to be the manufacture and distribution of precision parts for the aerospace industry.

On 28 July 2016, the Company acquired the entire share capital of UFC Aerospace Europe Limited.

Proposed dividend

A final dividend of £50,000, equating to 7.4p per share, in respect of the current financial year was declared and approved on 16 January 2017 (2015: £nil).

Directors

The directors who held office during the year and up to the date of this report were as follows:

A Sargeant
R Grace
E Stolyarova

This report was approved by the board on 28 September 2017, and has been prepared in accordance with the small companies regime of the Companies Act 2006.

Elena Stolyarova
Director



14-15 Glossop Brook Business Park
Glossop Brook Road
Glossop
Derbyshire
SK13 7AJ

Company registered number: 00216037

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to 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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Balance Sheet
as at 31 December 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Intangible assets	3		1,467		1,946
Tangible assets	4		756,227		450,523
Fixed asset investments	5		1		-
Current assets					
Stocks	6	733,239		591,112	
Debtors	7	797,073		656,821	
Cash at bank and in hand		34,802		60,149	
			<u>1,565,114</u>	<u>1,308,082</u>	
Creditors: amounts falling due within one year	8	(541,639)		(419,774)	
Net current assets			<u>1,023,475</u>		<u>888,308</u>
Total assets less current liabilities			<u>1,781,170</u>		<u>1,340,777</u>
Creditors: amounts falling due after more than one year	9		(286,668)		
Provisions for liabilities					
Deferred tax liability	10		(28,053)		(6,896)
Net assets			<u>1,466,449</u>		<u>1,333,881</u>
Capital and reserves					
Called up share capital	11		674,879		674,879
Profit and loss account			791,570		659,002
Shareholders' funds			<u>1,466,449</u>		<u>1,333,881</u>

For the year ending 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities

- the members have not required the company to obtain an audit of its accounts for the year in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts;
- these accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime of the Companies Act 2006;
- 100% of the company's members have consented to directors drawing up an abridged profit and loss account and an abridged balance sheet for the year end 31 December 2016; and
- as permitted by s444(5A) of the Companies Act 2006 the directors have not delivered to the Registrar a copy of the company's Profit and Loss Account.

These financial statements were approved by the board of directors on 28 September 2017 and were signed on its behalf by:

Elena Stolyarova
Director



Company registered number: 00216037

Notes

(forming part of the financial statements)

1 Accounting policies

AF Fasteners Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 03498267 and the registered address is 14015 Glossop Brook Business Park, Glossop Brook Road, Glossop, Derbyshire, SK13 7AJ.

The Company is exempt by virtue of the s402 subject to the small companies regime of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities). The presentation currency of these financial statements is sterling.

In the transition to Section 1A of FRS 102 from old UK GAAP, the Company has made measurement and recognition adjustments. An explanation of how the transition to FRS 102 has affected financial position and financial performance of the Company is provided in note 15.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. On first time adoption of FRS 102, the Company has not retrospectively changed its accounting under old UK GAAP for accounting estimates.

Under Section 1A Small Entities FRS 102, no cash flow statement is required in the financial statements of the Company.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate because the company is in a net asset position, is profitable and expects to be able to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements.

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

1.5 Intangible fixed assets

Intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses. Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use.

1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Notes (continued)

1 Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases.

Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

Depreciation is charged to the profit and loss account over the estimated useful lives of each part of an item of tangible fixed assets. Depreciation rates are as follows

- Long term leasehold property 15 years straight line
- Fixtures and fittings 12.5% or 25% reducing balance
- Plant and machinery 12.5% reducing balance

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

1.8 Impairment excluding stocks, and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. 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.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Notes (continued)

1 Accounting policies (continued)

1.9 Turnover

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and works carried out in respect of services provided to customers.

1.10 Expenses

Operating leases

Payments made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Interest payable

Interest payable is recognised in profit or loss using the effective interest method.

1.11 Employee benefits

The company operated a defined contribution pension scheme. Contributions are recognised in the profit and loss account as they become payable in accordance with the rules of the scheme.

1.12 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity in which case it is recognised directly in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2 Staff numbers

The average number of persons employed by the Company (including directors) during the year was as follows:

	Number of employees	
	2016	2015
Administrative staff	6	6
Warehouse staff	22	21
	28	27
	28	27

Notes (continued)

3 Intangible fixed assets

	License fee £	Software £	Total £
Cost			
Balance at 1 January 2016 and 31 December 2016	16,720	7,677	24,397
Amortisation			
Balance at 1 January 2016	16,720	5,731	12,451
Amortisation charge for the year	-	478	478
Balance at 31 December 2016	-	6,209	12,929
Net book value			
At 31 December 2016	-	1,467	1,467
At 31 December 2015	-	1,945	1,946

4 Tangible fixed assets

	Land & buildings £	Plant & machinery £	Fixture & fittings £	Total £
Cost				
Balance at 1 January 2016	177,821	900,963	66,611	1,145,395
Additions	-	378,445	7,650	386,094
Balance at 31 December 2016	172,821	1,279,445	74,261	1,531,489
Depreciation				
Balance at 1 January 2016	177,821	476,487	40,564	694,872
Depreciation charge for the year	-	75,381	5,008	80,389
Balance at 31 December 2016	177,821	551,868	45,572	775,261
Net book value				
At 31 December 2016	-	727,539	28,689	756,228
At 31 December 2015	-	452,469	26,047	450,523

At 31 December 2016, the net carrying amount of plant & machinery lease under a finance lease was £449,790 (2015: £120,605). The lease equipment secures lease obligations (see note 9).

Notes (continued)

5 Fixed asset investments

	Shares in group undertaking £
Cost	
Balance at 1 January 2016	-
Additions	1
	1
Balance at 31 December 2016	1
	1
Provision	
Balance at 1 January 2016 and 31 December 2016	-
	-
Net book value	
At 31 December 2016	1
	1
At 31 December 2015	-
	-

During the year, the Company acquired the entire share capital of UFC Aerospace Europe Limited for total consideration 1 USD.

The Company has the following investments in subsidiaries:

	Registered office	Ownership 2016	Ownership 2017
UFC Aerospace Europe Limited	14-15 Glossop Brook Business Park, Glossop Brook Road, Derbyshire, SK13 7AJ.	100%	-

6 Stocks

	2016	2015
	£	£
Raw materials and consumables	132,005	121,310
Work in progress	214,929	227,780
Finished goods	386,305	242,022
	733,239	591,112
	733,239	591,112

Notes (continued)

7 Debtors

	2016	2015
	£	£
Trade debtors	732,873	585,031
Prepayments	60,610	70,845
Amounts due from related parties (see note 13)	3,590	945
	797,073	656,821
	797,073	656,821

8 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	240,553	217,545
Accruals	16,448	11,173
Other taxes and social security	47,281	37,132
Other creditors	157,357	153,924
Obligations under finance leases (see note 9)	80,000	-
	541,639	419,774
	541,639	419,774

9 Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Obligations under finance leases	286,668	-
	286,668	-

Finance lease liabilities are repayable as follows:

	Minimum Lease Payments 2016	Minimum Lease Payments 2015
	£	£
Less than one year	88,520	-
Between one and five years	317,196	-
	405,716	-
Interest	(39,049)	-
	366,667	-

10 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2016	2015
	£	£
Accelerated capital allowances	(28,053)	(6,896)
	(28,053)	(6,896)

Notes (continued)

11 Share capital

	2016	2015
	£	£
<i>Allotted, called up and fully paid</i>		
674,879 ordinary shares of £1 each	674,879	674,879
	<u>674,879</u>	<u>674,879</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

12 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Land & buildings		Motor vehicles	
	2016	2015	2016	2015
	£	£	£	£
Less than one year	64,888	64,888	11,108	-
Between one and five years	108,147	173,035	13,885	-
	<u>173,035</u>	<u>237,923</u>	<u>24,993</u>	<u>-</u>

13 Related parties

Related party transactions

During the year, the Company transacted with the following related parties.

Horizon Ventures Limited (incorporated in Gibraltar) is the Company's parent company.

Mrs Elena Stolyarova is a director of both the Company and Stainless Plating Limited.

Mr Rose Grace is a director of both the Company and Parkside Flexibles (Europe) Limited.

	Purchases from	Management charges from	Loan from	Outstanding creditor
	2016	2016	2016	2016
	£	£	£	£
Horizons Ventures Limited	-	144,000	123,709	152,126
Stainless Plating Limited	159,251	42,502	-	62,780
Parkside Flexibles (Europe Limited)	-	21,019	-	16,638
	Purchases from	Management charges from	Loan from	Amounts outstanding
	2015	2015	2015	2015
	£	£	£	£
Horizons Ventures Limited	-	149,230	132,275	153,924
Stainless Plating Limited	93,582	41,121	-	49,176
Parkside Flexibles (Europe Limited)	-	9,855	-	2,228

14 Ultimate controlling party

The Company is a subsidiary undertaking of Horizon Ventures Limited, incorporated in Gibraltar. The ultimate controlling party is considered to be Mr S Matthews. No other group financial statements includes the results of the Company.

Notes (continued)

15 Explanation of transition to FRS 102 from old UK GAAP

As stated in note 1, these are the Company's first financial statements prepared in accordance with Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2016 and the comparative information presented in these financial statements for the year ended 31 December 2015.

In preparing its FRS 102 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 102 has affected the Company's financial position and financial performance is set out in the following tables:

Reconciliation of profit and equity from old GAAP to FRS 102

	Note	Profit for the year ended 31 December 2015 £	Equity as at 31 December 2015 £	Equity as at 31 December 2014 £
Amount under old GAAP		170,076	681,678	561,602
Reclass of software assets	a	-	-	-
Amount under FRS 102		170,076	681,678	561,602

Notes to the reconciliation of profit

- a) Software assets with a net book value of £1,946 (2014: £2,241) was reclassified from tangible fixed assets to intangible fixed assets.