

Company Registration No. 07002019 (England and Wales)

SMART MANUFACTURING LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018
PAGES FOR FILING WITH REGISTRAR

SMART MANUFACTURING LIMITED

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SMART MANUFACTURING LIMITED

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF SMART MANUFACTURING LIMITED FOR THE YEAR ENDED 31 AUGUST 2018

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Smart Manufacturing Limited for the year ended 31 August 2018 which comprise, the Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

This report is made solely to the Board of Directors of Smart Manufacturing Limited, as a body, in accordance with the terms of our engagement letter dated 7 March 2016. Our work has been undertaken solely to prepare for your approval the financial statements of Smart Manufacturing Limited and state those matters that we have agreed to state to the Board of Directors of Smart Manufacturing Limited, as a body, in this report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Smart Manufacturing Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Smart Manufacturing Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Smart Manufacturing Limited. You consider that Smart Manufacturing Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Smart Manufacturing Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Baldwins

18 April 2019

Accountants

Lime Court
Pathfields Business Park
South Molton
Devon
EX36 3LH

SMART MANUFACTURING LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2018

| | Notes | 2018 £ | £ | 2017 £ | £ |
|--|-------|----------------|-----------------------|----------------|-----------------------|
| Fixed assets | | | | | |
| Intangible assets | 3 | | 84,000 | | 105,000 |
| Tangible assets | 4 | | 420,011 | | 457,964 |
| | | | <u>504,011</u> | | <u>562,964</u> |
| Current assets | | | | | |
| Stocks | | 130,025 | | 129,576 | |
| Debtors | 5 | 408,103 | | 242,365 | |
| Cash at bank and in hand | | 22,319 | | - | |
| | | <u>560,447</u> | | <u>371,941</u> | |
| Creditors: amounts falling due within one year | 6 | (451,788) | | (417,311) | |
| Net current assets/(liabilities) | | | <u>108,659</u> | | <u>(45,370)</u> |
| Total assets less current liabilities | | | <u>612,670</u> | | <u>517,594</u> |
| Creditors: amounts falling due after more than one year | 7 | | (278,280) | | (216,146) |
| Provisions for liabilities | | | <u>(50,016)</u> | | <u>(53,687)</u> |
| Net assets | | | <u><u>284,374</u></u> | | <u><u>247,761</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | 8 | | 1,000 | | 1,000 |
| Profit and loss reserves | | | <u>283,374</u> | | <u>246,761</u> |
| Total equity | | | <u><u>284,374</u></u> | | <u><u>247,761</u></u> |

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

For the financial year ended 31 August 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

SMART MANUFACTURING LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2018

The financial statements were approved by the board of directors and authorised for issue on 18 April 2019 and are signed on its behalf by:

Mr M Murch
Director

Company Registration No. 07002019

SMART MANUFACTURING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

Company information

Smart Manufacturing Limited is a private company limited by shares incorporated in England and Wales. The registered office is Clovelly Road Industrial Estate, Bideford, Devon, EX39 3HN.

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.

1.3 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

1.4 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:

| | |
|---------------------------------|----------------------------|
| Land and buildings Improvements | 10% straight line |
| Plant and machinery | 10% reducing balance |
| Fixtures, fittings & equipment | 10% reducing balance |
| Motor vehicles | Straight line over 5 years |

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.

SMART MANUFACTURING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.5 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price. Financial assets classified as receivable within one year are not amortised.

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. Financial liabilities classified as payable within one year are not amortised.

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.

1.8 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.

SMART MANUFACTURING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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.

1.9 Retirement benefits

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

1.10 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.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 21 (2017 - 21).

SMART MANUFACTURING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

3 Intangible fixed assets

| | Goodwill £ |
|--|---------------|
| Cost | |
| At 1 September 2017 and 31 August 2018 | 210,000 |
| Amortisation and impairment | |
| At 1 September 2017 | 105,000 |
| Amortisation charged for the year | 21,000 |
| At 31 August 2018 | 126,000 |
| Carrying amount | |
| At 31 August 2018 | 84,000 |
| At 31 August 2017 | 105,000 |

4 Tangible fixed assets

| | Land and buildings | Plant and machinery etc | Other assets | Total |
|------------------------------------|-----------------------|----------------------------|--------------|---------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 September 2017 | 24,761 | 576,905 | 6,000 | 607,666 |
| Additions | 1,386 | 10,390 | - | 11,776 |
| At 31 August 2018 | 26,147 | 587,295 | 6,000 | 619,442 |
| Depreciation and impairment | | | | |
| At 1 September 2017 | - | 143,702 | 6,000 | 149,702 |
| Depreciation charged in the year | 2,560 | 47,169 | - | 49,729 |
| At 31 August 2018 | 2,560 | 190,871 | 6,000 | 199,431 |
| Carrying amount | | | | |
| At 31 August 2018 | 23,587 | 396,424 | - | 420,011 |
| At 31 August 2017 | 24,761 | 433,203 | - | 457,964 |

5 Debtors

| | 2018 £ | 2017 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Trade debtors | 394,536 | 228,489 |
| Other debtors | 13,567 | 13,876 |
| | 408,103 | 242,365 |

SMART MANUFACTURING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

6 Creditors: amounts falling due within one year

| | 2018 £ | 2017 £ |
|------------------------------------|----------------|----------------|
| Bank loans and overdrafts | 13,253 | 14,826 |
| Trade creditors | 258,729 | 186,525 |
| Corporation tax | - | 24,594 |
| Other taxation and social security | 79,282 | 72,700 |
| Other creditors | 100,524 | 118,666 |
| | <u>451,788</u> | <u>417,311</u> |

7 Creditors: amounts falling due after more than one year

| | 2018 £ | 2017 £ |
|---------------------------|----------------|----------------|
| Bank loans and overdrafts | 127,016 | - |
| Other creditors | 151,264 | 216,146 |
| | <u>278,280</u> | <u>216,146</u> |

8 Called up share capital

| | 2018 £ | 2017 £ |
|----------------------------------|--------------|--------------|
| Ordinary share capital | | |
| Issued and fully paid | | |
| 950 Ordinary A shares of £1 each | 950 | 950 |
| 50 Ordinary B shares of £1 each | 50 | 50 |
| | <u>1,000</u> | <u>1,000</u> |

9 Directors' transactions

Dividends totalling £126,000 (2017 - £67,000) were paid in the year in respect of shares held by the company's directors.

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.