

Company Registration No. 04610225 (England and Wales)

AUTOMATIC MACHINE SERVICES LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
PAGES FOR FILING WITH REGISTRAR

AUTOMATIC MACHINE SERVICES LIMITED

CONTENTS

	Page
Statement of financial position	1 - 2
Statement of changes in equity	3
Notes to the financial statements	4 - 11

AUTOMATIC MACHINE SERVICES LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	4		238,848		298,561
Tangible assets	5		1,028,909		1,404,546
Investment properties	6		250,000		250,000
			<u>1,517,757</u>		<u>1,953,107</u>
Current assets					
Stocks		311		1,536	
Debtors	7	133,638		96,924	
Cash at bank and in hand		401,572		554,948	
		<u>535,521</u>		<u>653,408</u>	
Creditors: amounts falling due within one year	8	(274,163)		(358,125)	
Net current assets			<u>261,358</u>		<u>295,283</u>
Total assets less current liabilities			<u>1,779,115</u>		<u>2,248,390</u>
Creditors: amounts falling due after more than one year	9		(222,867)		(214,813)
Provisions for liabilities			-		(29,331)
Net assets			<u>1,556,248</u>		<u>2,004,246</u>
Capital and reserves					
Called up share capital			100		100
Fair value reserve	10		202,606		202,606
Profit and loss reserve			1,353,542		1,801,540
Total equity			<u>1,556,248</u>		<u>2,004,246</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 March 2021 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.

AUTOMATIC MACHINE SERVICES LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2021

The financial statements were approved by the board of directors and authorised for issue on 20 August 2021 and are signed on its behalf by:

J Jarrett
Director

Company Registration No. 04610225

AUTOMATIC MACHINE SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital £	Fair value reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2019		100	229,350	1,618,393	1,847,843
Year ended 31 March 2020:					
Profit and total comprehensive income for the year		-	(2,815)	226,718	223,903
Dividends		-	-	(67,500)	(67,500)
Transfers		-	(23,929)	23,929	-
Balance at 31 March 2020		100	202,606	1,801,540	2,004,246
Year ended 31 March 2021:					
Loss and total comprehensive income for the year		-	-	(351,998)	(351,998)
Dividends		-	-	(96,000)	(96,000)
Balance at 31 March 2021		100	202,606	1,353,542	1,556,248

AUTOMATIC MACHINE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

Automatic Machine Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit A9, Chaucer Business Park, Watery Lane, Kemsing, Kent, TN15 6PW.

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 represents amounts receivable for the hire and maintenance of gaming machines, together with the company's agreed share of machine takings where the contract provides for such a share, net of VAT.

1.3 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of incorporated 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 9 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

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:

Freehold land and buildings	5% straight line
Plant and machinery	10% on written down value
Fixtures, fittings & equipment	20% on written down value
Motor vehicles	25% on written down value

AUTOMATIC MACHINE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

1 Accounting policies

(Continued)

Gaming and amusement machines are depreciated on a straight line basis at rates which reflects the reduction in the value of the asset over its estimated useful life. The rates are as follows:

Year 1	55.55%
Year 2	33.33%
Year 3	11.11%

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.

1.5 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. Changes in fair value are recognised in profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

1.7 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 cost and replacement 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.

AUTOMATIC MACHINE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

1 Accounting policies

(Continued)

1.8 Cash at bank and in hand

Cash and cash equivalents 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.

1.9 Basic financial instruments

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of income and retained earnings in other administrative expenses.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 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 income statement 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 income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

1.12 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.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

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

AUTOMATIC MACHINE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

1 Accounting policies

(Continued)

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases 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.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	33	37
	==	==

AUTOMATIC MACHINE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

4 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2020 and 31 March 2021	684,929
Amortisation and impairment	
At 1 April 2020	386,368
Amortisation charged for the year	59,713
At 31 March 2021	446,081
Carrying amount	
At 31 March 2021	238,848
At 31 March 2020	298,561

5 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 April 2020	970,340	2,614,019	3,584,359
Additions	-	63,627	63,627
Disposals	-	(191,326)	(191,326)
At 31 March 2021	970,340	2,486,320	3,456,660
Depreciation and impairment			
At 1 April 2020	155,544	2,024,269	2,179,813
Depreciation charged in the year	38,886	374,728	413,614
Eliminated in respect of disposals	-	(165,676)	(165,676)
At 31 March 2021	194,430	2,233,321	2,427,751
Carrying amount			
At 31 March 2021	775,910	252,999	1,028,909
At 31 March 2020	814,796	589,750	1,404,546

6 Investment property

	2021 £
Fair value	
At 1 April 2020 and 31 March 2021	250,000

AUTOMATIC MACHINE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

6 Investment property

(Continued)

Investment property comprises the commercial warehouse and office space that the company used to occupy, which is now been held for rental purposes. The fair value of the investment property has been arrived at on the basis of a valuation carried out on 1 December 2017 by Michael Rogers, Chartered Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

7 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	57,621	51,293
Corporation tax recoverable	20,286	-
Other debtors	47,027	45,631
	<u>124,934</u>	<u>96,924</u>
Deferred tax asset	8,704	-
	<u>133,638</u>	<u>96,924</u>

8 Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	40,134	32,877
Trade creditors	47,573	37,463
Corporation tax	-	44,533
Other taxation and social security	-	68,430
Other creditors	186,456	174,822
	<u>274,163</u>	<u>358,125</u>

9 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts	222,867	214,813
	<u>222,867</u>	<u>214,813</u>

The company has a mortgage that is secured by a fixed charge over the company's freehold property.

AUTOMATIC MACHINE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

10 Fair value reserve

	2021 £	2020 £
At the beginning of the year	202,606	229,350
Non distributable profits in the year	-	(2,815)
Transfer of non-distributable profits relating to prior periods	-	(23,929)
	<u> </u>	<u> </u>
At the end of the year	202,606	202,606
	<u> </u>	<u> </u>

The fair value reserve represents the change in the fair value of investment properties and the deferred tax provided on these fair value changes.

11 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for motor vehicle lease hire, which are generally negotiated on a 4 years term.

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

2021 £	2020 £
18,932	37,442
<u> </u>	<u> </u>

AUTOMATIC MACHINE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) ***FOR THE YEAR ENDED 31 MARCH 2021***

11 Operating lease commitments

(Continued)

Lessor

The operating lease represents the lease of commercial premises to a third party. The lease has been negotiated over a 5 year term with a break clause at 4 years.

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

2021	2020
£	£
71,250	90,250
=====	=====

