

Company registration number 06310205 (England and Wales)

CFP COMPOSITES LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023
PAGES FOR FILING WITH REGISTRAR

CFP COMPOSITES LIMITED

CONTENTS

	Page
Balance sheet	1 - 2
Statement of changes in equity	3
Notes to the financial statements	4 - 10

CFP COMPOSITES LIMITED

BALANCE SHEET

AS AT 31 JULY 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Intangible assets	4		232,043		244,752
Tangible assets	5		394,060		463,900
			<u>626,103</u>		<u>708,652</u>
Current assets					
Stocks		98,104		114,040	
Debtors	6	266,571		282,348	
Cash at bank and in hand		300,575		286,960	
		<u>665,250</u>		<u>683,348</u>	
Creditors: amounts falling due within one year	7	(2,988,179)		(1,334,730)	
Net current liabilities			<u>(2,322,929)</u>		<u>(651,382)</u>
Total assets less current liabilities			(1,696,826)		57,270
Creditors: amounts falling due after more than one year	8		(1,081,906)		(1,650,106)
Net liabilities			<u>(2,778,732)</u>		<u>(1,592,836)</u>
Capital and reserves					
Called up share capital	9		4,297,833		4,297,833
Share premium account			2,406,871		2,406,871
Other reserves			31,701		-
Profit and loss reserves			<u>(9,515,137)</u>		<u>(8,297,540)</u>
Total equity			<u>(2,778,732)</u>		<u>(1,592,836)</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 July 2023 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.

CFP COMPOSITES LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 JULY 2023

The financial statements were approved by the board of directors and authorised for issue on 20 October 2023 and are signed on its behalf by:

Mr S R Price
Director

Company Registration No. 06310205

CFP COMPOSITES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2023

	Share capital £	Share premium account £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 August 2021	4,297,833	2,406,871	-	(7,355,720)	(651,016)
Year ended 31 July 2022:					
Loss and total comprehensive income	-	-	-	(941,820)	(941,820)
Balance at 31 July 2022	4,297,833	2,406,871	-	(8,297,540)	(1,592,836)
Year ended 31 July 2023:					
Loss and total comprehensive income	-	-	-	(1,217,597)	(1,217,597)
Share based payments	-	-	31,701	-	31,701
Balance at 31 July 2023	4,297,833	2,406,871	31,701	(9,515,137)	(2,778,732)

CFP COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies

Company information

CFP Composites Limited is a private company limited by shares incorporated in England and Wales. The registered office is Units 3 - 5, Pedmore Road, Dudley, West Midlands, DY2 0RF.

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. The principal accounting policies adopted are set out below.

1.2 Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

1.3 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.

1.4 Research and development expenditure

Research and development expenditure is written off against profits in the year in which it is incurred.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation 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:

Patents & licences	20 years straight line
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1.6 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:

Plant and equipment	15% reducing balance
Fixtures and fittings	20% straight line

CFP COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies

(Continued)

1.7 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.

1.8 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.

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.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash at bank and in hand only.

1.10 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 trade debtors, corporation tax recoverable, other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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.

Basic financial liabilities

Basic financial liabilities, including trade creditors, bank loans, taxation and social security and other creditors, 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 initially at transaction price and subsequently measured at amortised cost using the effective interest method.

CFP COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies

(Continued)

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

1.12 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.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

1.14 Retirement benefits

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

1.15 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity..

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

CFP COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies

(Continued)

1.16 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.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

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:

	2023 Number	2022 Number
Total	11	10
	==	==

CFP COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

4 Intangible fixed assets

	Patents & licences £
Cost	
At 1 August 2022	395,354
Additions	7,059
	<hr/>
At 31 July 2023	402,413
	<hr/>
Amortisation and impairment	
At 1 August 2022	150,602
Amortisation charged for the year	19,768
	<hr/>
At 31 July 2023	170,370
	<hr/>
Carrying amount	
At 31 July 2023	232,043
	<hr/> <hr/>
At 31 July 2022	244,752
	<hr/> <hr/>

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 August 2022 and 31 July 2023	1,234,616
	<hr/>
Depreciation and impairment	
At 1 August 2022	770,716
Depreciation charged in the year	69,840
	<hr/>
At 31 July 2023	840,556
	<hr/>
Carrying amount	
At 31 July 2023	394,060
	<hr/> <hr/>
At 31 July 2022	463,900
	<hr/> <hr/>

CFP COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

6 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	7,947	16,174
Corporation tax recoverable	111,818	119,767
Other debtors	146,806	146,407
	<u>266,571</u>	<u>282,348</u>

7 Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans	1,118,200	554,200
Trade creditors	152,492	133,312
Taxation and social security	11,489	69,532
Other creditors	1,705,998	577,686
	<u>2,988,179</u>	<u>1,334,730</u>

Included within bank loans is a loan which is secured by a fixed and floating charge over the company's assets.

8 Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Bank loans	8,050	12,250
Other creditors	1,073,856	1,637,856
	<u>1,081,906</u>	<u>1,650,106</u>

9 Called up share capital

	2023	2022	2023	2022
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary of 0.1p each	1,025,038	1,025,038	1,025	1,025
A Ordinary of 0.1p each	1,029,962	1,029,962	1,030	1,030
B Non-equity of £1 each	4,295,778	4,295,778	4,295,778	4,295,778
	<u>6,350,778</u>	<u>6,350,778</u>	<u>4,297,833</u>	<u>4,297,833</u>

CFP COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

10 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2023 Number	2022 Number	2023 £	2022 £
Outstanding at 1 August 2022	-	-	-	-
Granted	35,000	-	1.40	-
Outstanding at 31 July 2023	35,000	-	1.40	-
Exercisable at 31 July 2023	-	-	-	-

The options outstanding at 31 July 2023 had an exercise price of £1.40, and a remaining contractual life of 9.42 years.

Inputs were as follows:

	2023	2022
Weighted average share price	1.40	-
Weighted average exercise price	1.40	-
Expected volatility	50.00	-
Expected life	10.00	-
Risk free rate	3.70	-

During the year, the company recognised a charge of £31,701 (2022 - £Nil) which related to equity settled share based payment transactions.

11 Related party transactions

Included within other creditors falling due within one year is a balance of £55,000 (2022: £55,000) due to a company director. This loan is interest free and repayable on demand.

