

Company Registration No. 04791532 (England and Wales)

RP AERO SYSTEMS LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

PAGES FOR FILING WITH REGISTRAR

RP AERO SYSTEMS LIMITED

COMPANY INFORMATION

| | |
|--------------------------|---|
| Directors | Mr S Foster Mrs A Foster |
| Secretary | Mrs A Foster |
| Company number | 04791532 |
| Registered office | Unit W Riverside Industrial Estate Littlehampton West Sussex BN17 5DF |
| Accountants | MHA Carpenter Box Amelia House Crescent Road Worthing West Sussex BN11 1QR |
| Business address | Unit W Riverside Industrial Estate Littlehampton West Sussex BN17 5DF |

RP AERO SYSTEMS LIMITED

CONTENTS

| | Page |
|-----------------------------------|-------------|
| Accountants' report | 1 |
| Balance sheet | 2 - 3 |
| Notes to the financial statements | 4 - 7 |

RP AERO SYSTEMS LIMITED

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF RP AERO SYSTEMS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2017

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of RP Aero Systems Limited for the year ended 31 December 2017 which comprise, the Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of RP Aero Systems Limited, as a body, in accordance with the terms of our engagement. Our work has been undertaken solely to prepare for your approval the financial statements of RP Aero Systems Limited and state those matters that we have agreed to state to the Board of Directors of RP Aero Systems Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than RP Aero Systems Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that RP Aero Systems 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 RP Aero Systems Limited. You consider that RP Aero Systems 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 RP Aero Systems 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.

MHA Carpenter Box

29 May 2018

Chartered Accountants

Amelia House
Crescent Road
Worthing
West Sussex
BN11 1QR

RP AERO SYSTEMS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

| | Notes | 2017 £ | £ | 2016 £ | £ |
|--|-------|------------------|------------------|--------------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 3 | | 2,396,903 | | 2,175,800 |
| Current assets | | | | | |
| Stocks | | 223,493 | | - | |
| Debtors | 4 | 203,673 | | 563,278 | |
| Cash at bank and in hand | | 28,672 | | 498,281 | |
| | | <u>455,838</u> | | <u>1,061,559</u> | |
| Creditors: amounts falling due within one year | 5 | <u>(824,410)</u> | | <u>(1,406,903)</u> | |
| Net current liabilities | | | <u>(368,572)</u> | | <u>(345,344)</u> |
| Total assets less current liabilities | | | 2,028,331 | | 1,830,456 |
| Creditors: amounts falling due after more than one year | 6 | | (217,937) | | (140,324) |
| Provisions for liabilities | | | <u>(352,900)</u> | | <u>(354,710)</u> |
| Net assets | | | <u>1,457,494</u> | | <u>1,335,422</u> |
| Capital and reserves | | | | | |
| Called up share capital | 7 | | 2 | | 2 |
| Profit and loss reserves | | | <u>1,457,492</u> | | <u>1,335,420</u> |
| Total equity | | | <u>1,457,494</u> | | <u>1,335,422</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 December 2017 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 Act 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.

RP AERO SYSTEMS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2017

The financial statements were approved by the board of directors and authorised for issue on 29 May 2018 and are signed on its behalf by:

Mr S Foster

Director

Company Registration No. 04791532

RP AERO SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

RP Aero Systems Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit W, Riverside Industrial Estate, Littlehampton, West Sussex, BN17 5DF.

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 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.

1.3 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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|--------------------------------|---------------------------------------|
| Plant and machinery | 15% and 4% on cost or valuation p.a. |
| Fixtures, fittings & equipment | 15% and 33% on cost or valuation p.a. |
| Motor vehicles | 25% on diminishing balance p.a. |

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.

1.4 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.

1.5 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.

RP AERO SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.6 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and carried at amortised cost.

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 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.

1.7 Equity instruments

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

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.

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.

1.9 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.

1.10 Retirement benefits

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

1.11 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.

RP AERO SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

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.

1.12 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 are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 40 (2016 - 36).

3 Tangible fixed assets

| | Plant and machinery £ | Fixtures, fittings & equipment £ | Motor vehicles £ | Total £ |
|------------------------------------|-----------------------------|---|------------------------|------------|
| Cost | | | | |
| At 1 January 2017 | 3,108,833 | 293,180 | - | 3,402,013 |
| Additions | 441,279 | 4,415 | 11,495 | 457,189 |
| Disposals | (69,093) | - | - | (69,093) |
| At 31 December 2017 | 3,481,019 | 297,595 | 11,495 | 3,790,109 |
| Depreciation and impairment | | | | |
| At 1 January 2017 | 980,356 | 245,857 | - | 1,226,213 |
| Depreciation charged in the year | 152,325 | 20,654 | 2,155 | 175,134 |
| Eliminated in respect of disposals | (8,141) | - | - | (8,141) |
| At 31 December 2017 | 1,124,540 | 266,511 | 2,155 | 1,393,206 |
| Carrying amount | | | | |
| At 31 December 2017 | 2,356,479 | 31,084 | 9,340 | 2,396,903 |
| At 31 December 2016 | 2,128,477 | 47,323 | - | 2,175,800 |

4 Debtors

| | 2017 £ | 2016 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Trade debtors | 90,765 | 284,717 |
| Other debtors | 112,908 | 278,561 |
| | 203,673 | 563,278 |

RP AERO SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

5 Creditors: amounts falling due within one year

| | 2017 £ | 2016 £ |
|------------------------------------|----------------|------------------|
| Trade creditors | 89,085 | 136,349 |
| Other taxation and social security | 27,480 | 26,060 |
| Other creditors | 707,845 | 1,244,494 |
| | <u>824,410</u> | <u>1,406,903</u> |

6 Creditors: amounts falling due after more than one year

| | 2017 £ | 2016 £ |
|-----------------|----------------|----------------|
| Other creditors | 217,937 | 140,324 |
| | <u>217,937</u> | <u>140,324</u> |

Included in other creditors in notes 5 and 6 is a hire purchase loan, which is secured.

7 Called up share capital

| | 2017 £ | 2016 £ |
|---|-----------|-----------|
| Ordinary share capital Issued and fully paid | | |
| 2 Ordinary shares of £1 each | 2 | 2 |
| | <u>2</u> | <u>2</u> |

8 Operating lease commitments

Lessee

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

| | 2017 £ | 2016 £ |
|----------------------------|----------------|----------------|
| Within one year | 89,094 | 91,094 |
| Between two and five years | 99,146 | 197,799 |
| | <u>188,240</u> | <u>288,893</u> |

9 Related party transactions

At the balance sheet date, an amount of £22,433 (2016 - £34,041) was owed from Raceprep Limited, a company with common directors and in which Mr S Foster is a shareholder.

