

AABC MATERIALS LTD
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

DJH Audit Limited
Accountants
Statutory Auditors
The Exchange
5 Bank Street
Bury
BL9 0DN

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FOR THE YEAR ENDED 31 DECEMBER 2023**

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AABC MATERIALS LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2023

DIRECTORS:

P A Ewen
B Dale
P Dover
P Essex

REGISTERED OFFICE:

Unit 11 Gateway 1000
Arlington Business Park
Whittle Way
Stevenage
Hertfordshire
SG1 2FP

REGISTERED NUMBER:

02596386 (England and Wales)

AUDITORS:

DJH Audit Limited
Accountants
Statutory Auditors
The Exchange
5 Bank Street
Bury
BL9 0DN

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Intangible assets	4	673,682	898,243
Property, plant and equipment	5	<u>99,039</u>	<u>152,739</u>
		<u>772,721</u>	<u>1,050,982</u>
CURRENT ASSETS			
Inventories		122,189	149,705
Debtors	6	3,699,686	2,879,090
Cash at bank		<u>56,360</u>	<u>1,707,917</u>
		<u>3,878,235</u>	<u>4,736,712</u>
CREDITORS			
Amounts falling due within one year	7	<u>(2,595,950)</u>	<u>(3,385,482)</u>
NET CURRENT ASSETS		<u>1,282,285</u>	<u>1,351,230</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,055,006	2,402,212
CREDITORS			
Amounts falling due after more than one year	8	(839,063)	(1,050,000)
PROVISIONS FOR LIABILITIES		<u>(7,683)</u>	<u>(17,359)</u>
NET ASSETS		<u>1,208,260</u>	<u>1,334,853</u>
CAPITAL AND RESERVES			
Called up share capital		100	100
Retained earnings		<u>1,208,160</u>	<u>1,334,753</u>
SHAREHOLDERS' FUNDS		<u>1,208,260</u>	<u>1,334,853</u>

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 16 December 2024 and were signed on its behalf by:

B Dale - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. **STATUTORY INFORMATION**

AABC Materials Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number is 02596386 and its registered office address is Unit 9A Meadway Court, Rutherford Close, Stevenage, Hertfordshire, SG1 2EF.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The financial statements have been prepared using the going concern basis of accounting.

The company continues to analyse and review business performance to aid future planning and assessment of working capital requirements as well as managing and mitigating risks as they arise. The planning and analysis process ensures that the business continues to trade successfully with appropriate profit margins to support future development. The main areas of focus are the challenging economic conditions with high inflation leading to increasing costs, an economic slow down and low unemployment.

During the first quarter of 2023 one of the directors who was also a major shareholder retired. Subsequently the remaining shareholder appointed a new board of Directors from within the business who have considerable experience of both the industry and their functional areas. Following a strategic review of the business the Directors have a shared vision for future operations and are now building on achievements.

Despite challenging trading conditions, the business continues to trade successfully and is confident in achieving further growth and profitability in the future.

Significant judgements and estimates

In the application of the company's accounting policies, the directors are required to make estimates and judgements. The estimates are based on historical experience and other relevant factors. Actual results may differ from these estimates.

The estimates are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Estimating the useful economic life of an asset and the anticipated residual value are considered key judgement in calculating an appropriate depreciation charge.

In categorising leases as finance or operating leases, the directors make judgements as to whether significant risks and rewards of ownership have transferred to the company as lessee.

The directors use judgement to provide against bad debts using knowledge of customers and experience. The provisions are revisited after the statement of financial position date to ensure appropriate.

Estimating the committed costs on contracts is considered a key judgement in calculating provisions.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES - continued

Revenue

Revenue represents the aggregate of the fair value of the sale of goods, net of value added tax, rebates and discounts.

Revenue is recognised once goods have been delivered to customers.

Goodwill

Goodwill is the difference between the fair value of the amounts paid on acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the income statement over its useful economic life of 5 years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Property, plant and equipment

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery etc - 20% on cost and 10% on cost

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision are recognised in the income statement when the change arises.

Inventory

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Net realisable value is estimated selling price less costs to complete and sell.

Cost includes expenditure incurred in bringing the inventory to its present location and condition.

Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the income statement.

Basic financial liabilities are initially measured at transaction price and subsequently measured at amortised cost being the transaction price less any amounts settled.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

2. **ACCOUNTING POLICIES - continued**

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the statement of financial position. Those held under hire purchase contracts are depreciated over the estimated useful lives. Those held under finance leases are depreciated over their useful lives or lease terms, whichever is shorter.

The interest element of these obligations is charged to the income statement over the relevant period. The capital element of the future repayments is treated as a liability.

Rentals paid under operating leases are charged to the income statement account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the income statement.

Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the income statement in the period it arises.

Dividends

Equity dividends are recognised when they become legally payable and are no longer at the discretion of the company.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 9 (2022 - 2).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

4.	INTANGIBLE FIXED ASSETS	Goodwill
		£
	COST	
	At 1 January 2023	
	and 31 December 2023	<u>1,122,804</u>
	AMORTISATION	
	At 1 January 2023	224,561
	Charge for year	<u>224,561</u>
	At 31 December 2023	<u>449,122</u>
	NET BOOK VALUE	
	At 31 December 2023	<u>673,682</u>
	At 31 December 2022	<u>898,243</u>
5.	PROPERTY, PLANT AND EQUIPMENT	Plant and machinery etc
		£
	COST	
	At 1 January 2023	567,298
	Additions	23,445
	Disposals	<u>(62,598)</u>
	At 31 December 2023	<u>528,145</u>
	DEPRECIATION	
	At 1 January 2023	414,559
	Charge for year	63,984
	Eliminated on disposal	<u>(49,437)</u>
	At 31 December 2023	<u>429,106</u>
	NET BOOK VALUE	
	At 31 December 2023	<u>99,039</u>
	At 31 December 2022	<u>152,739</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

5. PROPERTY, PLANT AND EQUIPMENT - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery etc £
COST	
At 1 January 2023	78,000
Disposals	(39,000)
Transfer to ownership	(39,000)
At 31 December 2023	-
DEPRECIATION	
At 1 January 2023	58,553
Charge for year	7,800
Eliminated on disposal	(29,277)
Transfer to ownership	(37,076)
At 31 December 2023	-
NET BOOK VALUE	
At 31 December 2023	-
At 31 December 2022	19,447

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade debtors	682,036	810,470
Amounts owed by group undertakings	2,803,580	1,816,713
Other debtors	214,070	251,907
	3,699,686	2,879,090

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Hire purchase contracts (see note 9)	-	16,713
Trade creditors	1,036,009	990,590
Taxation and social security	73,950	178,757
Other creditors	1,485,991	2,199,422
	2,595,950	3,385,482

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Other creditors	<u>839,063</u>	<u>1,050,000</u>

9. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2023	2022
	£	£
Net obligations repayable:		
Within one year	<u>-</u>	<u>16,713</u>
	Non-cancellable	operating leases
	2023	2022
	£	£
Within one year	6,405	6,382
Between one and five years	<u>3,203</u>	<u>9,573</u>
	<u>9,608</u>	<u>15,955</u>

10. SECURED DEBTS

The following secured debts are included within creditors:

	2023	2022
	£	£
Hire purchase contracts	<u>-</u>	<u>16,713</u>

Hire purchase liabilities are secured on the assets concerned.

Bank funding for the parent company is secured by way of debenture against all assets of the company.

11. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Richard Taylor (Senior Statutory Auditor)
for and on behalf of DJH Audit Limited

12. ULTIMATE CONTROLLING PARTY

P Ewen, the Managing director, is considered to be the ultimate controlling party.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

13. ULTIMATE PARENT COMPANY

The immediate parent company is AABC Group Ltd and ultimate parent company is AABC Bideo Ltd.

The results of the company are included within the consolidated financial statements of AABC Group Ltd, copies of which can be obtained from the company's registered office, Unit 11 Gateway 1000 Arlington Business Park, Whittle Way, Stevenage, Hertfordshire, England, SG1 2FP.

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.