

Company Registration No. 06964332 (England and Wales)

2D CNC MACHINERY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

PAGES FOR FILING WITH REGISTRAR

2D CNC MACHINERY LIMITED

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2D CNC MACHINERY LIMITED

BALANCE SHEET

AS AT 31 JULY 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	4		60,498		69,198
Current assets					
Stocks		12,934		9,033	
Debtors	5	98,428		175,475	
Cash at bank and in hand		14,813		22,660	
		<u>126,175</u>		<u>207,168</u>	
Creditors: amounts falling due within one year	6	<u>(906,535)</u>		<u>(779,686)</u>	
Net current liabilities			<u>(780,360)</u>		<u>(572,518)</u>
Total assets less current liabilities			<u>(719,862)</u>		<u>(503,320)</u>
Creditors: amounts falling due after more than one year	7		<u>(39,269)</u>		<u>-</u>
Net liabilities			<u>(759,131)</u>		<u>(503,320)</u>
Capital and reserves					
Called up share capital			2		2
Profit and loss reserves			<u>(759,133)</u>		<u>(503,322)</u>
Total equity			<u>(759,131)</u>		<u>(503,320)</u>

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

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

The financial statements were approved and signed by the director and authorised for issue on 2 February 2022

Mr B Bettan
Director

Company Registration No. 06964332

2D CNC MACHINERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

Company information

2D CNC Machinery Limited is a private company limited by shares incorporated in England and Wales. The registered office is Number 22 Mount Ephraim, Tunbridge Wells, Kent, TN4 8AS.

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 Going concern

The company meets its day to day working capital requirements through intragroup loans. The company's financial statements for the year ended 31 July 2020 reflect a loss before taxation of £255,811 (2019: £297,850) and net liabilities of £759,131 (2019: £503,320).

On the basis that the immediate and ultimate parent company will not call upon any of the loans until the earliest of twelve months after the date of the signing of the audit report or until such time that the company has sufficient assets and ongoing working capital available to repay the loans, the directors consider it appropriate to prepare the accounts on the going concern basis. The accounts do not include any adjustments that would result from a withdrawal of the intragroup loans by the immediate and ultimate parent company.

The company's going concern assumption is dependent on the group's going concern assumption. The financial statements of the immediate parent company have been prepared on the going concern basis. In the period to 31 December 2020, the company recorded sales and profit after tax of €26,926,190 and €561,793, respectively. Furthermore, at 31 December 2020, the company's net assets amounted to €11,285,226. These factors confirm that the parent company's use of the going concern basis is appropriate.

Having given particular attention to the recent emergence of Coronavirus, which has become a significant international event with the impact being felt in the UK and the rest of the world, the directors do not consider there to be any additional uncertainties and do not believe the operations of the company will be disrupted.

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.

2D CNC MACHINERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies (Continued)

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:

Plant and machinery	20% reducing balance
Fixtures, fittings & equipment	20% reducing balance
Office equipment	20% straight line

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 Impairment of fixed assets

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

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.

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.

1.6 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.

1.7 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

2D CNC MACHINERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

1.8 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 including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 creditors and loans from fellow group companies are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, Financial liabilities classified as payable within one year are not amortised.

1.9 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.

1.10 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.

1.11 Retirement benefits

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

1.12 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.

2D CNC MACHINERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

1.13 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.

1.14 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 director is 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:

	2020 Number	2019 Number
Total	6	6

2D CNC MACHINERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

4 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Office equipment	Total
	£	£	£	£
Cost				
At 1 August 2019	11,017	124,777	23,985	159,779
Disposals	-	-	(2,019)	(2,019)
At 31 July 2020	<u>11,017</u>	<u>124,777</u>	<u>21,966</u>	<u>157,760</u>
Depreciation and impairment				
At 1 August 2019	7,662	65,099	17,820	90,581
Depreciation charged in the year	671	5,530	2,095	8,296
Eliminated in respect of disposals	-	-	(1,615)	(1,615)
At 31 July 2020	<u>8,333</u>	<u>70,629</u>	<u>18,300</u>	<u>97,262</u>
Carrying amount				
At 31 July 2020	<u>2,684</u>	<u>54,148</u>	<u>3,666</u>	<u>60,498</u>
At 31 July 2019	<u>3,355</u>	<u>59,678</u>	<u>6,165</u>	<u>69,198</u>

5 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	97,428	174,475
Other debtors	1,000	1,000
	<u>98,428</u>	<u>175,475</u>

6 Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans	9,513	-
Trade creditors	333,362	269,823
Amounts owed to group undertakings	485,279	449,749
Taxation and social security	38,386	20,619
Other creditors	39,995	39,495
	<u>906,535</u>	<u>779,686</u>

2D CNC MACHINERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

7 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Bank loans and overdrafts	39,269	-
	<u> </u>	<u> </u>

8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Daniel Howarth and the auditor was CBW Audit Limited.

9 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:

	2020	2019
	£	£
	-	19,275
	<u> </u>	<u> </u>

10 Related party transactions

Remuneration of key management personnel

The company has taken exemption under FRS 102 S.33.7A not to disclose the directors' remuneration as the key management personnel and directors are the same.

11 Parent company

The immediate parent company of 2D CNC Machinery Limited is Halbronn S.A.S., a *société par actions simplifiée* based in France.

The ultimate controlling party is Salis Participations, a *société à responsabilité limitée* based in France. The registered address is 90 rue Racine 69100 Villeurbanne.

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.