

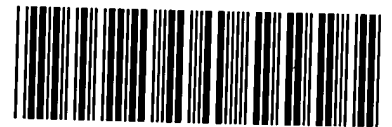
Registration number: 02685331

Capricorn Automotive Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2017

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Capricorn Automotive Limited

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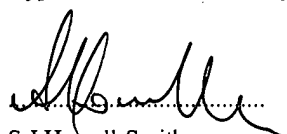
Capricorn Automotive Limited
(Registration number: 02685331)
Balance Sheet as at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	1,022,907	1,257,750
Investments	5	<u>1</u>	<u>1</u>
		<u>1,022,908</u>	<u>1,257,751</u>
Current assets			
Stocks	6	288,732	349,635
Debtors	7	582,557	633,487
Cash at bank and in hand		<u>63,816</u>	<u>10,110</u>
		935,105	993,232
Creditors: Amounts falling due within one year	8	<u>(761,072)</u>	<u>(723,187)</u>
Net current assets		<u>174,033</u>	<u>270,045</u>
Total assets less current liabilities		1,196,941	1,527,796
Creditors: Amounts falling due after more than one year	8	(526,662)	(295,528)
Provisions for liabilities		<u>(65,000)</u>	<u>-</u>
Net assets		<u>605,279</u>	<u>1,232,268</u>
Capital and reserves			
Called up share capital		5,000,550	5,000,550
Profit and loss account		<u>(4,395,271)</u>	<u>(3,768,282)</u>
Total equity		<u>605,279</u>	<u>1,232,268</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 31/7/18 and signed on its behalf by:



S J Howell-Smith

Director

The notes on pages 2 to 10 form an integral part of these financial statements.

Capricorn Automotive Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Unit 1 Horizon
Kingsland Business Park
Wade Road
Basingstoke
Hampshire
RG24 8EN

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements are presented in Great British Pounds, which is the company's functional currency.

Summary of disclosure exemptions

The company has taken advantage of the exemption in FRS 102 Section 1A from disclosing transactions with other members of the group, where any subsidiary which is a party to the transaction is wholly owned by such a member.

Group accounts not prepared

The company has taken advantage of the exemption from preparing group accounts. These financial statements have been prepared for the company only.

Going concern

The UK economy is in a state of uncertainty following the country's vote to leave the EU, where the parent and other group companies are based. The company continues to have the support of the group and received further advances during the year in relation to the parent company loan. The parent company has provided assurances that it will continue to support the company in the future. Furthermore, the company undertook a refinancing arrangement on its plant and machinery assets in January 2018, obtaining gross funds of £725,000. As such the directors consider it appropriate that the accounts be prepared on a going concern basis.

Audit report

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 31 July 2018 was Bruce Elkins FCA, who signed for and on behalf of Wilkins Kennedy LLP.

Capricorn Automotive Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Judgements

In preparation of the financial statements, the directors have made the following judgements:

Determine whether leases entered into by the company are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Determine whether there are any indicators of impairments of the company's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Key sources of estimation uncertainty

Tangible fixed assets are depreciated over their useful economic lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Stock is reviewed regularly for impairment and a stock provision is provided for accordingly on a line by line basis. Product life cycles, changing fashions, general market conditions and expected net realisable value are taken into consideration when determining the level of provision required.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of precision engineering goods. Turnover is shown net of value added tax, returns, rebates and discounts.

The company recognises revenue on delivery of the goods, when the risks and rewards of ownership are deemed to have passed to the buyer and it is probable that future economic benefits will flow to the entity.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Capricorn Automotive Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land and buildings	10% straight line
Furniture, fittings and equipment	20% to 33% straight line
Other property, plant and equipment	6.67% to 33% straight line

Research and development

Research and development expenditure is written off as incurred.

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Capricorn Automotive Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as an employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 26 (2016 - 27).

Capricorn Automotive Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

4 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Other property, plant and equipment £	Total £
Cost or valuation				
At 1 January 2017	<u>779,139</u>	<u>323,280</u>	<u>3,641,944</u>	<u>4,744,363</u>
At 31 December 2017	<u>779,139</u>	<u>323,280</u>	<u>3,641,944</u>	<u>4,744,363</u>
Depreciation				
At 1 January 2017	578,146	307,752	2,600,715	3,486,613
Charge for the year	<u>87,176</u>	<u>9,199</u>	<u>138,468</u>	<u>234,843</u>
At 31 December 2017	<u>665,322</u>	<u>316,951</u>	<u>2,739,183</u>	<u>3,721,456</u>
Carrying amount				
At 31 December 2017	<u>113,817</u>	<u>6,329</u>	<u>902,761</u>	<u>1,022,907</u>
At 31 December 2016	<u>200,993</u>	<u>15,528</u>	<u>1,041,229</u>	<u>1,257,750</u>

Included within the net book value of land and buildings above is £113,817 (2016 - £200,993) in respect of long leasehold land and buildings.

Capricorn Automotive Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

5 Investments

	2017 £	2016 £
Investments in subsidiaries	<u>1</u>	<u>1</u>
Subsidiaries		£
Cost or valuation		
At 1 January 2017		<u>1</u>
At 31 December 2017		<u>1</u>
Carrying amount		
At 31 December 2017		<u>1</u>
At 31 December 2016		<u>1</u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2017	2016
Subsidiary undertakings				
Capricorn Automotive Inc. USA	USA	Ordinary	100%	100%

The principal activity of Capricorn Automotive Inc. USA is that of a dormant company. The profit for the financial period was £nil and the aggregate amount of capital and reserves at the end of the period was £1.

6 Stocks

	2017 £	2016 £
Raw materials and consumables	21,635	93,514
Work in progress	127,266	156,224
Finished goods and goods for resale	<u>139,831</u>	<u>99,897</u>
	<u>288,732</u>	<u>349,635</u>

Capricorn Automotive Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

7 Debtors

	2017 £	2016 £
Trade debtors	297,357	242,113
Prepayments	104,133	139,140
Other debtors	181,067	252,234
	<u>582,557</u>	<u>633,487</u>
Less non-current portion	-	(147,114)
	<u>582,557</u>	<u>486,373</u>

8 Creditors

Creditors: amounts falling due within one year

	Note	2017 £	2016 £
Due within one year			
Bank loans and overdrafts	9	185,287	236,736
Trade creditors		460,502	385,496
Taxation and social security		47,703	31,925
Accruals and deferred income		64,179	65,387
Other creditors		3,401	3,643
		<u>761,072</u>	<u>723,187</u>

Creditors: amounts falling due after more than one year

	Note	2017 £	2016 £
Due after one year			
Loans and borrowings	9	<u>526,662</u>	<u>295,528</u>

Capricorn Automotive Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

9 Loans and borrowings

	2017 £	2016 £
Non-current loans and borrowings		
Bank borrowings	-	10,691
Finance lease liabilities	-	76,000
Other borrowings	<u>526,662</u>	<u>208,837</u>
	<u>526,662</u>	<u>295,528</u>
	2017 £	2016 £
Current loans and borrowings		
Bank borrowings	-	11,306
Bank overdrafts	88,803	149,430
Finance lease liabilities	<u>96,484</u>	<u>76,000</u>
	<u>185,287</u>	<u>236,736</u>

Bank borrowings and bank overdrafts are secured by way of a debenture over the assets of the company.

Obligations under finance lease contracts are secured on the specific assets financed.

10 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary A shares of £1 each	550	550	550	550
Ordinary B shares of £1 each	1,000,000	1,000,000	1,000,000	1,000,000
Ordinary C shares of £1 each	1,000,000	1,000,000	1,000,000	1,000,000
Ordinary D shares of £1 each	1,000,000	1,000,000	1,000,000	1,000,000
Ordinary E shares of £1 each	1,000,000	1,000,000	1,000,000	1,000,000
Ordinary F shares of £1 each	500,000	500,000	500,000	500,000
Ordinary G shares of £1 each	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
	<u>5,000,550</u>	<u>5,000,550</u>	<u>5,000,550</u>	<u>5,000,550</u>

11 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £518,569 (2016 - £861,752).

Capricorn Automotive Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

12 Parent and ultimate parent undertaking

The company's immediate parent is Capricorn HOLDING GmbH, incorporated in Germany.

The most senior parent entity producing publicly available financial statements is Capricorn HOLDING GmbH. These financial statements are available upon request from Speditionstraße 23, Düsseldorf, 40221, Germany.

The ultimate controlling party is Dr R W Wild by virtue of his majority shareholding.