

Registration number: 09701798

OPENWORKS ENGINEERING LTD
Filletted Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2020

Openworks Engineering Ltd

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Openworks Engineering Ltd

Company Information

Directors	N Armstrong T J Courtney J E Cross C D Down Dr A D Trapp A J Wilkinson R S Wilkinson Dr I R Baggett
Registered office	4B Stocksfield Hall Stocksfield Northumberland NE43 7TN
Accountants	MHA Tait Walker Chartered Accountants Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

Openworks Engineering Ltd

(Registration number: 09701798)

Statement of Financial Position as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	<u>4</u>	10,875	10,715
Tangible assets	<u>5</u>	112,154	137,981
		<u>123,029</u>	<u>148,696</u>
Current assets			
Stocks	<u>6</u>	310,555	326,629
Debtors	<u>7</u>	421,711	635,067
Cash at bank and in hand		999,650	809,867
		<u>1,731,916</u>	<u>1,771,563</u>
Creditors: Amounts falling due within one year	<u>8</u>	<u>(193,431)</u>	<u>(319,074)</u>
Net current assets		<u>1,538,485</u>	<u>1,452,489</u>
Total assets less current liabilities		<u>1,661,514</u>	<u>1,601,185</u>
Creditors: Amounts falling due after more than one year	<u>8</u>	<u>(211,746)</u>	-
Provisions for liabilities		<u>(27,209)</u>	<u>(55,956)</u>
Net assets		<u>1,422,559</u>	<u>1,545,229</u>
Capital and reserves			
Called up share capital		19,990	19,990
Share premium reserve		1,775,096	1,775,096
Profit and loss account		<u>(372,527)</u>	<u>(249,857)</u>
Total equity		<u>1,422,559</u>	<u>1,545,229</u>

For the financial year ending 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- 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; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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 Income Statement has been taken.

The notes on pages 4 to 9 form an integral part of these financial statements.

Openworks Engineering Ltd

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Statement of Financial Position as at 31 December 2020 (continued)

Approved and authorised by the Board on 10 August 2021 and signed on its behalf by:

.....

R S Wilkinson

Director

The notes on pages 4 to 9 form an integral part of these financial statements.

Openworks Engineering Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020

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 4B Stocksfield Hall, Stocksfield, Northumberland, NE43 7TN.

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 prepared in sterling which is the functional currency of the entity.

Going concern

The company meets its day to day working capital requirements through cash generated from operations and shareholding funding. The directors have assessed the potential impact of the COVID-19 virus and the financial impact on the company and have developed a business continuity plan should the impact of the pandemic widen. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these financial statements. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Openworks Engineering Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Government grants

Government grants relating to the costs incurred by the company are recognised in the income statement over the period necessary to match them with costs that they are intended to compensate. Government grants are presented separately and disclosed in Other operating income in the income statement.

Other operating income includes the UK Government assistance provided through Coronavirus Job Retention Scheme during the Covid-19 pandemic.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge 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.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

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.

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
Engineering equipment	50% straight line
Motor vehicles	20% straight line
Office equipment	33% straight line
Leasehold improvements	Over the life of the lease

Intangible assets

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Openworks Engineering Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Patents	10% straight line

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.

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 Income Statement 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.

Openworks Engineering Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

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.

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 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 20 (2019 - 21).

4 Intangible assets

	Trademarks, patents and licenses £	Total £
Cost or valuation		
At 1 January 2020	11,371	11,371
Additions internally developed	1,371	1,371
	<hr/>	<hr/>
At 31 December 2020	12,742	12,742
Amortisation		
At 1 January 2020	656	656
Amortisation charge	1,211	1,211
	<hr/>	<hr/>
At 31 December 2020	1,867	1,867
Carrying amount		
At 31 December 2020	<hr/> <hr/>	<hr/> <hr/>
	10,875	10,875
At 31 December 2019	<hr/> <hr/>	<hr/> <hr/>
	10,715	10,715

The aggregate amount of research and development expenditure recognised as an expense during the period is £ 461,896 (2019 - £707,611).

Openworks Engineering Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

5 Tangible assets

	Leasehold improvements £	Engineering equipment £	Office equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 January 2020	82,810	101,195	53,534	10,450	247,989
Additions	30,021	19,909	2,540	-	52,470
Disposals	-	(6,209)	-	-	(6,209)
At 31 December 2020	<u>112,831</u>	<u>114,895</u>	<u>56,074</u>	<u>10,450</u>	<u>294,250</u>
Depreciation					
At 1 January 2020	15,775	67,366	22,324	4,543	110,008
Charge for the year	34,749	20,180	16,179	2,090	73,198
Eliminated on disposal	-	(1,110)	-	-	(1,110)
At 31 December 2020	<u>50,524</u>	<u>86,436</u>	<u>38,503</u>	<u>6,633</u>	<u>182,096</u>
Carrying amount					
At 31 December 2020	<u>62,307</u>	<u>28,459</u>	<u>17,571</u>	<u>3,817</u>	<u>112,154</u>
At 31 December 2019	<u>67,035</u>	<u>33,829</u>	<u>31,210</u>	<u>5,907</u>	<u>137,981</u>

6 Stocks

	2020 £	2019 £
Raw materials and consumables	169,360	34,553
Work in progress	141,195	274,100
Finished goods and goods for resale	-	17,976
	<u>310,555</u>	<u>326,629</u>

7 Debtors

	2020 £	2019 £
Trade debtors	27,834	174,154
Prepayments	138,399	292,035
Other debtors	26,537	6,435
Corporation tax asset	228,941	162,443
	<u>421,711</u>	<u>635,067</u>

Openworks Engineering Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

8 Creditors

Creditors: amounts falling due within one year

	Note	2020 £	2019 £
Due within one year			
Bank loans and overdrafts	<u>9</u>	22,965	-
Trade creditors		33,024	148,936
Taxation and social security		14,633	33,781
Accruals and deferred income		122,809	136,357
		<u>193,431</u>	<u>319,074</u>

Creditors include bank loans which are government guaranteed loans of £22,965 (2019 - £nil).

Creditors: amounts falling due after more than one year

	Note	2020 £	2019 £
Due after one year			
Loans and borrowings	<u>9</u>	<u>211,746</u>	<u>-</u>

Creditors include bank loans which are government guaranteed loans of £211,746 (2019 - £nil).

9 Loans and borrowings

	2020 £	2019 £
Current loans and borrowings		
Bank borrowings	<u>22,965</u>	<u>-</u>
Non-current loans and borrowings		
Bank borrowings	<u>211,746</u>	<u>-</u>

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.