

REGISTERED NUMBER: 01531211 (England and Wales)

Financial Statements for the Year Ended 31 October 2017

for

Charleswater Limited

**Contents of the Financial Statements
for the Year Ended 31 October 2017**

	Page
Company Information	1
Abridged Balance Sheet	2
Notes to the Financial Statements	3

**Company Information
for the Year Ended 31 October 2017**

DIRECTORS:

J Brake
C De La Isla
D J Maerzke
V A Callan
D D Allen

SECRETARY:

V A Callan

REGISTERED OFFICE:

2a Dunhams Lane
Letchworth
Hertfordshire
SG6 1BE

REGISTERED NUMBER:

01531211 (England and Wales)

AUDITORS:

George Hay Partnership LLP
Chartered Accountants
and Statutory Auditor
Unit 1B
Focus 4
Fourth Avenue
Letchworth
Hertfordshire
SG6 2TU

Abridged Balance Sheet
31 October 2017

	Notes	2017 £	£	2016 £	£
FIXED ASSETS					
Intangible assets	5		821,800		939,200
Tangible assets	6		<u>195,766</u>		<u>180,064</u>
			1,017,566		1,119,264
CURRENT ASSETS					
Stocks		781,622		661,488	
Debtors		1,596,226		641,331	
Cash at bank		<u>462,503</u>		<u>718,664</u>	
		2,840,351		2,021,483	
CREDITORS					
Amounts falling due within one year		<u>2,784,255</u>		<u>2,904,818</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>56,096</u>		<u>(883,335)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,073,662		235,929
CREDITORS					
Amounts falling due after more than one year			(94,961)		(120,314)
PROVISIONS FOR LIABILITIES			<u>(6,084)</u>		<u>(491)</u>
NET ASSETS			<u>972,617</u>		<u>115,124</u>
CAPITAL AND RESERVES					
Called up share capital			2,000		2,000
Contribution from parent			700,000		-
Retained earnings			<u>270,617</u>		<u>113,124</u>
SHAREHOLDERS' FUNDS			<u>972,617</u>		<u>115,124</u>

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

All the members have consented to the preparation of an abridged Balance Sheet for the year ended 31 October 2017 in accordance with Section 444(2A) of the Companies Act 2006.

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 on 11 December 2017 and were signed on its behalf by:

D D Allen - Director

**Notes to the Financial Statements
for the Year Ended 31 October 2017**

1. STATUTORY INFORMATION

Charleswater Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The financial statements are presented in sterling which is the functional currency of the company.

2. STATEMENT OF COMPLIANCE

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

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated. The company adopted FRS 102 in the current year and an explanation of how transition to FRS 102 has affected the reported financial position and performance is given below.

There were no reconciling adjustments between UK GAAP and FRS 102.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

Preparation of consolidated financial statements

The financial statements contain information about Charleswater Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Desco Industries Inc, a company incorporated in the United States of America..

Turnover

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of turnover are as follows:

Sale of goods

Turnover from the sale of goods is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually on dispatch of the goods.

Goodwill

Goodwill is being amortised over its estimated useful life of 10 years on a straight line basis.

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.

**Notes to the Financial Statements - continued
for the Year Ended 31 October 2017**

3. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land and buildings	- 4% on cost and over period of lease
Plant and machinery etc	- At varying rates on cost

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Financial instruments

Loans are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised costs using the effective interest rate method less impairment. If an arrangement constitutes a financing transaction it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

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 balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Investment properties

The investment element of mixed use properties on the balance sheet are measured at cost as the directors believe that obtaining a fair value would involve undue cost and effort.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 27 (2016 - 29) .

Notes to the Financial Statements - continued
for the Year Ended 31 October 2017

5. INTANGIBLE FIXED ASSETS

	Totals £
COST	
At 1 November 2016 and 31 October 2017	<u>1,174,000</u>
AMORTISATION	
At 1 November 2016	234,800
Amortisation for year	<u>117,400</u>
At 31 October 2017	<u>352,200</u>
NET BOOK VALUE	
At 31 October 2017	<u>821,800</u>
At 31 October 2016	<u>939,200</u>

6. TANGIBLE FIXED ASSETS

	Totals £
COST	
At 1 November 2016	401,987
Additions	47,343
Disposals	<u>(150)</u>
At 31 October 2017	<u>449,180</u>
DEPRECIATION	
At 1 November 2016	221,923
Charge for year	31,641
Eliminated on disposal	<u>(150)</u>
At 31 October 2017	<u>253,414</u>
NET BOOK VALUE	
At 31 October 2017	<u>195,766</u>
At 31 October 2016	<u>180,064</u>

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

The Report of the Auditors was unqualified.

Martin Williams ACA (Senior Statutory Auditor)
for and on behalf of George Hay Partnership LLP

8. PARENT UNDERTAKING

The parent undertaking of the smallest group for which the company is included in consolidated financial statements is Desco industries Inc. a company incorporated in the United States of America.

**Notes to the Financial Statements - continued
for the Year Ended 31 October 2017**

9. DEBTORS

Included in debtors is a loan of £700,000 which is repayable in more than one year. As detailed in the accounting policies this is a financing transaction which is measured at the present value of future payments discounted at a market rate of interest.

10. RESERVES

During the current year the company's parent undertaking has waived its right to a loan of £700,000 which has been reclassified to take it out of creditors and show as a capital reserve.

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.