

Financial Statements for the Year Ended 31 October 2021
for
Charleswater Limited

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for the Year Ended 31 October 2021**

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**Company Information
for the Year Ended 31 October 2021**

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 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Intangible assets	5		352,200		469,600
Tangible assets	6		<u>292,266</u>		<u>315,695</u>
			644,466		785,295
CURRENT ASSETS					
Stocks		741,329		690,270	
Debtors		1,354,442		1,161,378	
Cash at bank		<u>819,054</u>		<u>1,600,718</u>	
		2,914,825		3,452,366	
CREDITORS					
Amounts falling due within one year		<u>2,285,666</u>		<u>3,346,104</u>	
NET CURRENT ASSETS			<u>629,159</u>		<u>106,262</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,273,625		891,557
CREDITORS					
Amounts falling due after more than one year			(9,045)		(32,712)
PROVISIONS FOR LIABILITIES			<u>(26,887)</u>		<u>(29,819)</u>
NET ASSETS			<u><u>1,237,693</u></u>		<u><u>829,026</u></u>
CAPITAL AND RESERVES					
Called up share capital	7		2,000		2,000
Contribution from parent			700,000		700,000
Retained earnings			<u>535,693</u>		<u>127,026</u>
SHAREHOLDERS' FUNDS			<u><u>1,237,693</u></u>		<u><u>829,026</u></u>

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

All the members have consented to the preparation of an abridged Balance Sheet for the year ended 31 October 2021 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 and authorised for issue on 22 November 2021 and were signed on its behalf by:

D D Allen - Director

**Notes to the Financial Statements
for the Year Ended 31 October 2021**

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.

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.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The company is reliant upon the financial support from Desco Industries Inc, the parent company. Desco Industries Inc has confirmed its intention to continue to support the company for the foreseeable future and on this basis the directors consider it appropriate to prepare the financial statements on a going concern basis.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

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 2021**

3. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Mixed use property is valued at cost as the resulting portions could not be separately sold.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

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.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Notes to the Financial Statements - continued
for the Year Ended 31 October 2021**

3. ACCOUNTING POLICIES - continued**Investment properties**

The investment element of mixed use properties on the balance sheet are measured at cost less impairment as the directors believe that the mixed use element of the property could not be sold separately.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 30 (2020 - 29) .

5. INTANGIBLE FIXED ASSETS

	Totals £
COST	
At 1 November 2020 and 31 October 2021	<u>1,174,000</u>
AMORTISATION	
At 1 November 2020	704,400
Amortisation for year	<u>117,400</u>
At 31 October 2021	<u>821,800</u>
NET BOOK VALUE	
At 31 October 2021	<u>352,200</u>
At 31 October 2020	<u>469,600</u>

6. TANGIBLE FIXED ASSETS

	Totals £
COST	
At 1 November 2020	702,837
Additions	<u>21,759</u>
At 31 October 2021	<u>724,596</u>
DEPRECIATION	
At 1 November 2020	387,142
Charge for year	<u>45,188</u>
At 31 October 2021	<u>432,330</u>
NET BOOK VALUE	
At 31 October 2021	<u>292,266</u>
At 31 October 2020	<u>315,695</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2021

7. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
2,000	Ordinary	£1	<u>2,000</u>	<u>2,000</u>

8. **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

9. **PARENT UNDERTAKING**

The parent undertaking of the group for which this company is included in consolidated financial statements is Desco industries Inc. a company incorporated in the United States of America. The address of the parent company is 3651 Walnut Avenue, Chino CA 91710.

10. **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.

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.