
CASTLE MICROWAVE LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

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COMPANIES HOUSE

CASTLE MICROWAVE LIMITED

COMPANY INFORMATION

DIRECTORS

B Gaskin
L J Thomas
M Eidem
C R Wright (appointed 16 May 2014)

COMPANY SECRETARY

R P Eldridge

REGISTERED NUMBER

01874256

REGISTERED OFFICE

5 The Pentangle
Park Street
Newbury
Berks
RG14 1EA

CASTLE MICROWAVE LIMITED

CONTENTS

	Page
Directors' report	1
Directors' responsibilities statement	2
Accountant's report	3
Profit and loss account	4
Balance sheet	5 - 6
Notes to the financial statements	7 - 13

CASTLE MICROWAVE LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2014**

The directors present their report and the financial statements for the year ended 31 March 2014.

PRINCIPAL ACTIVITIES

The company's principal activity during the year was the sale of electronic components. The directors consider the company's level of activities and the year end financial position to be satisfactory.

DIRECTORS

The directors who served during the year were:

B Gaskin
L J Thomas
M Eidem

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on

8th August 2014

and signed on its behalf.



L J Thomas
Director

CASTLE MICROWAVE LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CASTLE MICROWAVE LIMITED

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF
THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF CASTLE MICROWAVE LIMITED
FOR THE YEAR ENDED 31 MARCH 2014**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Castle Microwave Limited for the year ended 31 March 2014 which comprise the Profit and loss account, the Balance sheet and the related notes from the company's accounting records and from information and explanations you have given to us.

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at icaew.com/regulations.

This report is made solely to the Board of directors of Castle Microwave Limited, as a body, in accordance with the terms of our engagement letter dated 23 May 2013. Our work has been undertaken solely to prepare for your approval the financial statements of Castle Microwave Limited and state those matters that we have agreed to state to the Board of directors of Castle Microwave Limited, as a body, in this report in accordance with AAF 2/10 as detailed at icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Castle Microwave Limited and its Board of directors, as a body, for our work or for this report.

It is your duty to ensure that Castle Microwave Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the company's assets, liabilities, financial position and profit. You consider that Castle Microwave Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Castle Microwave Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



Crowe Clark Whitehill LLP

Chartered Accountants

Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL

Date: 11 August 2014

CASTLE MICROWAVE LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014

	Note	2014 £	2013 £
TURNOVER	1,2	5,567,598	7,079,307
Cost of sales		(4,116,410)	(5,396,246)
GROSS PROFIT		1,451,188	1,683,061
Distribution costs		(27,829)	(29,677)
Administrative expenses		(1,149,687)	(1,047,368)
OPERATING PROFIT	3	273,672	606,016
Interest receivable and similar income		6,037	7,498
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		279,709	613,514
Tax on profit on ordinary activities	5	(65,934)	(143,000)
PROFIT FOR THE FINANCIAL YEAR	12	213,775	470,514

The notes on pages 7 to 13 form part of these financial statements.

CASTLE MICROWAVE LIMITED
REGISTERED NUMBER: 01874256

BALANCE SHEET
AS AT 31 MARCH 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	6		164,284		75,579
Investments	7		200		200
			<u>164,484</u>		<u>75,779</u>
CURRENT ASSETS					
Stocks		174,314		93,280	
Debtors	8	952,071		794,221	
Cash at bank and in hand		2,070,889		1,956,618	
		<u>3,197,274</u>		<u>2,844,119</u>	
CREDITORS: amounts falling due within one year	9	(1,140,801)		(931,312)	
NET CURRENT ASSETS			<u>2,056,473</u>		<u>1,912,807</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,220,957</u>		<u>1,988,586</u>
PROVISIONS FOR LIABILITIES					
Deferred tax	10		(18,596)		-
NET ASSETS			<u>2,202,361</u>		<u>1,988,586</u>
CAPITAL AND RESERVES					
Called up share capital	11		100		100
Profit and loss account	12		2,202,261		1,988,486
SHAREHOLDERS' FUNDS			<u>2,202,361</u>		<u>1,988,586</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 March 2014 and of its profit for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

CASTLE MICROWAVE LIMITED

**BALANCE SHEET (continued)
AS AT 31 MARCH 2014**

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



8th August 2014

L J Thomas
Director

The notes on pages 7 to 13 form part of these financial statements.

CASTLE MICROWAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Cash flow

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.4 Going concern

The company has cash resources and has no requirement for external funding. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	20% reducing balance
Motor vehicles	-	25% reducing balance
Fixtures & fittings	-	20% reducing balance
Other fixed assets	-	20% straight line

1.6 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

CASTLE MICROWAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES (continued)

1.8 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.9 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.10 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

2. TURNOVER

8.2% of the company's turnover (2013 - 6.3%) is attributable to geographical markets outside the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	29,870	21,431
Difference on foreign exchange	(4,039)	(34,362)

CASTLE MICROWAVE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

4. DIRECTORS' REMUNERATION

	2014 £	2013 £
Aggregate remuneration	<u>218,183</u>	<u>211,857</u>

5. TAXATION

	2014 £	2013 £
Analysis of tax (credit)/charge in the year		
UK corporation tax charge on profit for the year	66,443	143,000
Adjustments in respect of prior periods	(509)	-
Tax on profit on ordinary activities	<u>65,934</u>	<u>143,000</u>

6. TANGIBLE FIXED ASSETS

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Other fixed assets £	Total £
Cost					
At 1 April 2013	72,288	74,490	379,071	-	525,849
Additions	-	40,280	26,065	67,150	133,495
Disposals	-	(53,816)	-	-	(53,816)
At 31 March 2014	<u>72,288</u>	<u>60,954</u>	<u>405,136</u>	<u>67,150</u>	<u>605,528</u>
Depreciation					
At 1 April 2013	71,282	44,065	334,923	-	450,270
Charge for the year	202	13,946	14,043	1,679	29,870
On disposals	-	(38,896)	-	-	(38,896)
At 31 March 2014	<u>71,484</u>	<u>19,115</u>	<u>348,966</u>	<u>1,679</u>	<u>441,244</u>
Net book value					
At 31 March 2014	<u>804</u>	<u>41,839</u>	<u>56,170</u>	<u>65,471</u>	<u>164,284</u>
At 31 March 2013	<u>1,006</u>	<u>30,425</u>	<u>44,148</u>	<u>-</u>	<u>75,579</u>

CASTLE MICROWAVE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

7. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2013 and 31 March 2014	200
Net book value	
At 31 March 2014	200
At 31 March 2013	200
Subsidiary undertakings	

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Castle Microwave Systems Limited	Ordinary £1 shares	100%

The aggregate of the share capital and reserves as at 31 March 2014 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Castle Microwave Systems Limited	200	-

8. DEBTORS

	2014 £	2013 £
Trade debtors	896,375	740,656
Other debtors	55,696	53,565
	952,071	794,221

CASTLE MICROWAVE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

9. CREDITORS:

Amounts falling due within one year

	2014	2013
	£	£
Payments received on account	67,345	24,726
Net obligations under finance leases and hire purchase contracts	30,505	-
Trade creditors	801,991	535,340
Amounts owed to group undertakings	203	203
Corporation tax	47,847	143,000
Other taxation and social security	161,786	184,563
Other creditors	31,124	43,480
	<u>1,140,801</u>	<u>931,312</u>

10. DEFERRED TAXATION

	2014	2013
	£	£
At beginning of year	-	-
Charge for year (P&L)	18,596	-
	<u>18,596</u>	<u>-</u>
At end of year	<u>18,596</u>	<u>-</u>

The provision for deferred taxation is made up as follows:

	2014	2013
	£	£
Accelerated capital allowances	<u>18,596</u>	<u>-</u>

11. SHARE CAPITAL

	2014	2013
	£	£
Allotted, called up and fully paid		
100 Ordinary shares shares of £1 each	<u>100</u>	<u>100</u>

CASTLE MICROWAVE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

12. RESERVES

	Profit and loss account £
At 1 April 2013	1,988,486
Profit for the financial year	213,775
At 31 March 2014	<u>2,202,261</u>

13. DIVIDENDS

	2014 £	2013 £
Dividends paid on equity capital	<u>-</u>	<u>78,668</u>

14. CONTINGENT LIABILITIES

The company has guaranteed the bank borrowings of Castle Group Holdings Limited, Alphamates Limited and Castle Microwave Systems Limited. The bank borrowings of the various companies at 31 March 2013 were all £nil.

There is also a VAT duty deferment guarantee of £8,000.

15. OPERATING LEASE COMMITMENTS

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2014 £	2013 £	2014 £	2013 £
Expiry date:				
Within 1 year	-	-	7,850	426
Between 2 and 5 years	13,365	-	6,116	14,875
After more than 5 years	<u>37,250</u>	<u>37,250</u>	<u>-</u>	<u>-</u>

16. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions allowed by Financial Reporting Standard 8, not to disclose transactions with related party undertakings which are wholly owned by the group.

CASTLE MICROWAVE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

In the directors' opinion, the company's immediate parent company and immediate controlling party during the year was Castle Group Holdings Limited, which is incorporated in the UK. The company's ultimate parent company and controlling party at the balance sheet date is Castle Group Holdings Limited, which is incorporated in the UK.

Following the sale of the share capital of Castle Group Holdings Limited on 16 May 2014 the directors now regard Craig Wright by reason of his majority shareholding in the new ultimate holding company, Connexion Microwave Technologies Limited, as the controlling party.