

Registered number: 01874256

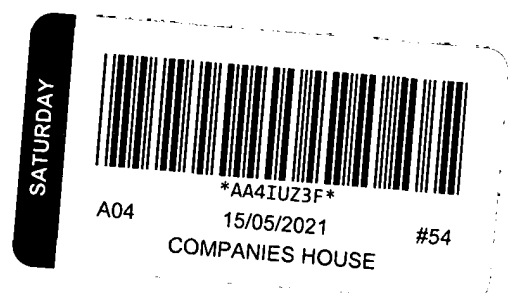
CASTLE MICROWAVE LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 30 JUNE 2020



CASTLE MICROWAVE LIMITED
REGISTERED NUMBER: 01874256

BALANCE SHEET
AS AT 30 JUNE 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	4	102,009	97,314
Fixed Asset Investments	5	200	200
		<u>102,209</u>	<u>97,514</u>
Current assets			
Stocks	6	85,804	80,366
Debtors: amounts falling due within one year	7	5,002,334	5,152,731
Bank & cash balances		532,349	34,610
		<u>5,620,487</u>	<u>5,267,707</u>
Creditors: amounts falling due within one year	8	(1,299,875)	(1,995,693)
Net current assets		<u>4,320,612</u>	<u>3,272,014</u>
Total assets less current liabilities		<u>4,422,821</u>	<u>3,369,528</u>
Creditors: amounts falling due after more than one year	9	(459,958)	(8,819)
		<u>3,962,863</u>	<u>3,360,709</u>
Provisions for liabilities			
Deferred taxation	10	(10,539)	(8,364)
Net assets		<u>3,952,324</u>	<u>3,352,345</u>
Capital and reserves			
Called up share capital		100	100
Profit And Loss Account		3,952,224	3,352,245
		<u>3,952,324</u>	<u>3,352,345</u>

CASTLE MICROWAVE LIMITED
REGISTERED NUMBER: 01874256

BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2020

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

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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



R P Eldridge
Director

Date: 7 May 2021

CASTLE MICROWAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. General information

Castle Microwave Limited is a private company limited by shares (registered number 01874256) incorporated in England and Wales and domiciled in the UK. Its registered office is 5 The Pentagle, Park Street, Newbury, Berks, RG14 1EA.

The principal activity of the company is the wholesale of electronic and telecommunications equipment and parts

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies.

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.

The following principal accounting policies have been applied:

2.2 Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

In their assessment of going concern the directors have considered the current and developing impact on the business as a result of the COVID19 virus. This has not had a significant, immediate impact on the company's operations and business continues to remain strong but the directors are aware that if the current situation worsens then this may change.

Having regard to the above, the directors believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

2.3 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.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

CASTLE MICROWAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant & machinery	- 20% reducing balance
Motor vehicles	- 25% reducing balance
Fixtures & fittings	- 20% reducing balance
Improvements to property	- 20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 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.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. All basic financial instruments are held at amortised cost.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

CASTLE MICROWAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.11 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.

2.12 Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.13 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

2.14 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.15 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

CASTLE MICROWAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.17 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 statement of income and retained earnings.

3. Employees

The average monthly number of employees, including the directors, during the period was 16 (2019 - 16).

CASTLE MICROWAVE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

4. Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Improvement s to property £	Total £
Cost or valuation					
At 1 July 2019	96,963	36,890	437,093	73,436	644,382
Additions	-	22,490	20,436	819	43,745
Disposals	-	(19,900)	-	-	(19,900)
At 30 June 2020	96,963	39,480	457,529	74,255	668,227
Depreciation					
At 1 July 2019	86,438	9,839	399,270	51,521	547,068
Charge for the year on owned assets	2,106	521	9,407	4,425	16,459
Charge for the year on financed assets	-	8,150	-	-	8,150
Disposals	-	(5,459)	-	-	(5,459)
At 30 June 2020	88,544	13,051	408,677	55,946	566,218
Net book value					
At 30 June 2020	8,419	26,429	48,852	18,309	102,009
At 30 June 2019	10,525	27,051	37,823	21,915	97,314

The net book value of fixed assets on a hire purchase lease were £24,450 (2019 - £27,051).

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2019	200
At 30 June 2020	200

CASTLE MICROWAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

6. Stocks

	2020 £	2019 £
Finished goods and goods for resale	85,804	80,366

7. Debtors

	2020 £	2019 £
Trade debtors	1,091,118	1,636,879
Amounts owed by group undertakings	3,815,724	3,449,484
Other debtors	160	120
Prepayments and accrued income	95,332	66,248
	5,002,334	5,152,731

The amounts owed by group undertakings relate to a loan advanced to the ultimate parent company, Connexion Microwave Technologies Limited.

8. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	45,455	-
Trade creditors	332,540	1,140,319
Amounts owed to group undertakings	203	203
Corporation tax	39,775	-
Other taxation and social security	192,197	137,705
Obligations under finance lease and hire purchase contracts	10,824	11,218
Other creditors	325,358	381,428
Accruals and deferred income	353,523	324,820
	1,299,875	1,995,693

Bank loans and other creditors are secured by fixed and floating charges over the property and undertaking of the company.

CASTLE MICROWAVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

9. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Bank loans	454,545	-
Obligations under finance leases and hire purchase contracts	5,413	8,819
	<u>459,958</u>	<u>8,819</u>

The bank loan is secured by fixed and floating charges over the property and undertaking of the company.

The interest rate of the loan is 1.98% over base rate and the total due after 5 years is £90,909.

10. Deferred taxation

	2020 £	2019 £
At beginning of year	8,364	10,775
Charged to profit or loss	2,175	(2,411)
At end of year	<u>10,539</u>	<u>8,364</u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	10,539	8,364
	<u>10,539</u>	<u>8,364</u>

11. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. Contributions totalling £4,383 (2019 - £3,582) were payable to the fund at the balance sheet date and are included in creditors.

CASTLE MICROWAVE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

12. Commitments under operating leases

At 30 June 2020 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	61,137	40,000
Later than 1 year and not later than 5 years	230,853	160,000
Later than 5 years	199,233	239,233
	<u>491,223</u>	<u>439,233</u>

13. Controlling party

The parent company is Castle Group Holdings Limited, registered office 5 The Pentangle, Park Street, Newbury, Berkshire, RG14 1EA.