

Company Registration No. 02199121 (England and Wales)

**S2S ELECTRONICS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

PAGES FOR FILING WITH REGISTRAR

S2S ELECTRONICS LIMITED

COMPANY INFORMATION

Directors	Mr A Dukinfield Mr G Barton
Secretary	Mr A Dukinfield
Company number	02199121
Registered office	Unit B, Brookfields Park Manvers Way Rotherham S63 5DJ
Accountants	Knowles Warwick Limited 183 Fraser Road Sheffield S8 0JP
Business address	Unit B, Brookfields Park Manvers Way Rotherham S63 5DJ

S2S ELECTRONICS LIMITED

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S2S ELECTRONICS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Goodwill	3		18,000		22,500
Tangible assets	4		53,804		66,271
Investments	5		500		500
			<u>72,304</u>		<u>89,271</u>
Current assets					
Stocks		106,373		115,162	
Debtors	6	1,335,904		1,294,502	
Cash at bank and in hand		37,846		3,011	
		<u>1,480,123</u>		<u>1,412,675</u>	
Creditors: amounts falling due within one year	7	<u>(488,211)</u>		<u>(531,671)</u>	
Net current assets			991,912		881,004
Total assets less current liabilities			1,064,216		970,275
Creditors: amounts falling due after more than one year	8		(27,400)		(29,000)
Net assets			<u>1,036,816</u>		<u>941,275</u>
Capital and reserves					
Called up share capital	9		6,000		6,000
Profit and loss reserves			1,030,816		935,275
Total equity			<u>1,036,816</u>		<u>941,275</u>

S2S ELECTRONICS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2016

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

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

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the board of directors and authorised for issue on 25 September 2017 and are signed on its behalf by:

Mr A Dukinfield

Director

Company Registration No. 02199121

S2S ELECTRONICS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2015	6,000	891,033	897,033
Effect of transition to FRS 102	-	(9,000)	(9,000)
As restated	6,000	882,033	888,033
Year ended 31 December 2015:			
Profit and total comprehensive income for the year	-	53,242	53,242
Balance at 31 December 2015	6,000	935,275	941,275
Year ended 31 December 2016:			
Profit and total comprehensive income for the year	-	95,541	95,541
Balance at 31 December 2016	6,000	1,030,816	1,036,816

S2S ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

S2S Electronics Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit B, Brookfields Park, Manvers Way, Rotherham, S63 5DJ.

The principal activity of the company continued to be that of data destruction from electronic media and recycling, refurbishment and reuse solutions for waste electrical and electronic equipment.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2016 are the first financial statements of S2S Electronics Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 11.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.3 Intangible fixed assets - goodwill

Acquired goodwill will be written off in equal annual instalments over its estimated useful economic life.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	10% straight line and 20% straight line
Fixtures, fittings and equipment	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

S2S ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

S2S ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

S2S ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 21 (2015 - 19).

3 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2016 and 31 December 2016	45,000
Amortisation and impairment	
At 1 January 2016	22,500
Amortisation charged for the year	4,500
At 31 December 2016	27,000
Carrying amount	
At 31 December 2016	18,000
At 31 December 2015	22,500

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2016	211,091
Additions	6,582
Disposals	(25,000)
At 31 December 2016	192,673
Depreciation and impairment	
At 1 January 2016	144,820
Depreciation charged in the year	11,757
Eliminated in respect of disposals	(17,708)
At 31 December 2016	138,869
Carrying amount	
At 31 December 2016	53,804
At 31 December 2015	66,271

S2S ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

5 Fixed asset investments

	2016 £	2015 £
Investments	500	500

The directors consider that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 1 January 2016 & 31 December 2016	500
Carrying amount	
At 31 December 2016	500
At 31 December 2015	500

6 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	244,578	204,645
Amounts due from group undertakings	1,033,898	1,033,898
Other debtors	57,428	55,959
	1,335,904	1,294,502

7 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	187,804	221,348
Amounts due to group undertakings	25,257	25,257
Other taxation and social security	42,971	25,977
Other creditors	232,179	259,089
	488,211	531,671

Other creditors includes £126,852 (2015 - £131,077) secured against the trade debtors of the company.

S2S ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

8 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Other creditors	27,400	29,000

9 Called up share capital

	2016 £	2015 £
Ordinary share capital Issued and fully paid		
6,000 Ordinary shares of £1 each	6,000	6,000

10 Related party transactions

The following amounts were outstanding at the reporting end date:

	2016 £	2015 £
Amounts owed to related parties		
Entities with control, joint control or significant influence over the company	25,257	25,257

The following amounts were outstanding at the reporting end date:

	2016 Balance £
Amounts owed by related parties	
Entities with control, joint control or significant influence over the company	1,033,898
	2015 Balance £
Amounts owed in previous period	
Entities with control, joint control or significant influence over the company	1,033,898

11 Reconciliations on adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on: (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

S2S ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

11 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of equity

	Notes	At 1 January 2015			At 31 December 2015		
		Previous UK GAAP	Effect of transition	FRS 102	Previous UK GAAP	Effect of transition	FRS 102
		£	£	£	£	£	£
Fixed assets							
Goodwill	1	36,000	(9,000)	27,000	33,750	(11,250)	22,500
Tangible assets		59,983	-	59,983	66,271	-	66,271
Investments		500	-	500	500	-	500
		<u>96,483</u>	<u>(9,000)</u>	<u>87,483</u>	<u>100,521</u>	<u>(11,250)</u>	<u>89,271</u>
Current assets							
Stocks		115,293	-	115,293	115,162	-	115,162
Debtors		1,327,476	-	1,327,476	1,294,502	-	1,294,502
Bank and cash		863	-	863	3,011	-	3,011
		<u>1,443,632</u>	<u>-</u>	<u>1,443,632</u>	<u>1,412,675</u>	<u>-</u>	<u>1,412,675</u>
Creditors due within one year							
Loans and overdrafts		(50,546)	-	(50,546)	(25,000)	-	(25,000)
Taxation		(24,033)	-	(24,033)	(25,977)	-	(25,977)
Other creditors		(516,637)	-	(516,637)	(480,694)	-	(480,694)
		<u>(591,216)</u>	<u>-</u>	<u>(591,216)</u>	<u>(531,671)</u>	<u>-</u>	<u>(531,671)</u>
Net current assets		<u>852,416</u>	<u>-</u>	<u>852,416</u>	<u>881,004</u>	<u>-</u>	<u>881,004</u>
Total assets less current liabilities		<u>948,899</u>	<u>(9,000)</u>	<u>939,899</u>	<u>981,525</u>	<u>(11,250)</u>	<u>970,275</u>
Creditors due after one year							
Loans and overdrafts		(51,866)	-	(51,866)	(29,000)	-	(29,000)
Net assets		<u>897,033</u>	<u>(9,000)</u>	<u>888,033</u>	<u>952,525</u>	<u>(11,250)</u>	<u>941,275</u>
Capital and reserves							
Share capital		6,000	-	6,000	6,000	-	6,000
Profit and loss		891,033	(9,000)	882,033	946,525	(11,250)	935,275
Total equity		<u>897,033</u>	<u>(9,000)</u>	<u>888,033</u>	<u>952,525</u>	<u>(11,250)</u>	<u>941,275</u>

S2S ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

11 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of profit for the financial period

	Notes	Year ended 31 December 2015		
		Previous UK GAAP £	Effect of transition £	FRS 102 £
Turnover		2,052,393	-	2,052,393
Cost of sales		(1,267,837)	-	(1,267,837)
Gross profit		784,556	-	784,556
Administrative expenses	1	(727,790)	(2,250)	(730,040)
Other operating income		4,375	-	4,375
Operating profit		61,141	(2,250)	58,891
Interest payable and similar expenses		(5,649)	-	(5,649)
Taxation		-	-	-
Profit for the financial period		55,492	(2,250)	53,242

Notes to reconciliations on adoption of FRS 102

Goodwill amortisation

Following transition to FRS 102 the amortisation period of goodwill has been reduced from 20 years to 10 years, in line with the updated requirement.

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