
AVONWOOD DEVELOPMENTS LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

AVONWOOD DEVELOPMENTS LIMITED
REGISTERED NUMBER: 02570711

BALANCE SHEET
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	4	1,242,476	1,234,560
Tangible assets	5	152,457	195,838
Investments	6	6	6
		<u>1,394,939</u>	<u>1,430,404</u>
Current assets			
Stocks	7	316,727	323,549
Debtors: amounts falling due within one year	8	260,198	257,981
Cash at bank and in hand	9	118,379	101,676
		<u>695,304</u>	<u>683,206</u>
Creditors: amounts falling due within one year	10	(310,991)	(178,406)
Net current assets		<u>384,313</u>	<u>504,800</u>
Total assets less current liabilities		<u>1,779,252</u>	<u>1,935,204</u>
Creditors: amounts falling due after more than one year	11	(302,015)	(313,409)
Net assets		<u><u>1,477,237</u></u>	<u><u>1,621,795</u></u>
Capital and reserves			
Called up share capital		13,857	13,857
Share premium account		309,997	309,997
Profit and loss account		1,153,383	1,297,941
		<u><u>1,477,237</u></u>	<u><u>1,621,795</u></u>

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 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.

AVONWOOD DEVELOPMENTS LIMITED
REGISTERED NUMBER: 02570711

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2017

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 on 21 December 2017.

.....
R V Thomas

Director

The notes on pages 3 to 13 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. General information

The company is a private company limited by shares, incorporated in England. The principal place of business is Knoll Technology Centre, Stapehill, Wimborne, Dorset, BH21 7ND. The principal activity throughout the year was design, development, supply and integration of automatic identification and data capture technologies and Radio Frequency Identification systems.

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 following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.3 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

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.

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 and machinery	- 25% reducing balance
Fixtures and fittings	- 25% reducing balance
Other fixed assets	- 10% 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 the Statement of income and retained earnings.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

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 enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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.

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of income and retained earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

2.12 Finance costs

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.14 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.

2.15 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.16 Borrowing costs

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

2.17 Taxation

Tax is recognised in the Statement of income and retained earnings, 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.

2.18 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

3. Employees

The average monthly number of employees, including directors, during the year was 26 (2016 - 24).

AVONWOOD DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

4. Intangible assets

	Develop-ment £
Cost	
At 1 April 2016	2,564,606
Additions	217,570
	<hr/>
At 31 March 2017	2,782,176
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Amortisation	
At 1 April 2016	1,330,046
Charge for the year	209,654
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At 31 March 2017	1,539,700
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Net book value	
At 31 March 2017	<u>1,242,476</u>
At 31 March 2016	<u>1,234,560</u>

AVONWOOD DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

5. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Other fixed assets £	Total £
Cost or valuation				
At 1 April 2016	362,453	183,371	142,330	688,154
Additions	6,769	7,985	-	14,754
At 31 March 2017	369,222	191,356	142,330	702,908
Depreciation				
At 1 April 2016	193,477	156,509	142,330	492,316
Charge for the year on owned assets	45,686	12,449	-	58,135
At 31 March 2017	239,163	168,958	142,330	550,451
Net book value				
At 31 March 2017	130,059	22,398	-	152,457
At 31 March 2016	168,976	26,862	-	195,838

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £	2016 £
Furniture, fittings and equipment	17,716	23,621
	17,716	23,621

AVONWOOD DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2016	6
	<hr/>
At 31 March 2017	6
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Net book value	
At 31 March 2017	6
	<hr/>
At 31 March 2016	6
	<hr/>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Autotrack Limited	Ordinary	100 %	dormant company
Eureka RFID Limited	Ordinary	100 %	dormant company
Meditrack Limited	Ordinary	100 %	dormant company

The aggregate of the share capital and reserves as at 31 March 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £
Autotrack Limited	2
Eureka RFID Limited	2
Meditrack Limited	2
	<hr/>
	6
	<hr/>

AVONWOOD DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

7. Stocks

	2017 £	2016 £
Finished goods and goods for resale	<u>316,727</u>	<u>323,549</u>

Stock recognised in cost of sales during the year as an expense was £334,317 (2016 - £223,053).

8. Debtors

	2017 £	2016 £
Trade debtors	111,170	114,421
Other debtors	94,886	51,215
Prepayments and accrued income	54,142	92,345
	<u>260,198</u>	<u>257,981</u>

9. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	118,379	101,676
	<u>118,379</u>	<u>101,676</u>

10. Creditors: Amounts falling due within one year

	2017 £	2016 £
Payments received on account	5,140	-
Trade creditors	179,114	110,752
Other taxation and social security	51,724	50,348
Obligations under finance lease and hire purchase contracts	11,394	10,200
Other creditors	47,896	4,593
Accruals and deferred income	15,723	2,513
	<u>310,991</u>	<u>178,406</u>

AVONWOOD DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

Creditors include secured liabilities of £11,394 (2016 - £10,200).

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

	2017 £	2016 £
Other loans	300,000	300,000
Net obligations under finance leases and hire purchase contracts	2,015	13,409
	<u>302,015</u>	<u>313,409</u>

Secured loans

Creditors include secured liabilities of £302,015 (2016 - £313,409).

12. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due 1-2 years		
Other loans	300,000	300,000
	<u>300,000</u>	<u>300,000</u>

13. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Within one year	11,394	11,394
Between 1-2 years	2,015	6,785
	<u>13,409</u>	<u>18,179</u>

AVONWOOD DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

14. Financial instruments

	2017	2016
	£	£
Financial assets		
Financial assets measured at fair value through profit or loss	<u>118,379</u>	<u>101,676</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

15. Pension commitments

The Company operates a defined contributions pension scheme in respect of the employees. 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 and amounted to £13,709 (2016 - £14,124). Contributions totalling £2,047 (2016 - £1,104) were payable to the fund at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

16. Related party transactions

During the year the company paid rent of £75,000 (2016 - £75,000) to the directors R V Thomas and L M Thomas. The company received a loan of £Nil (2016 - £Nil) from Ambergreen Properties Limited, a company in which R V Thomas and L M Thomas are directors and shareholders. At the year end £300,000 (2016 - £300,000) was outstanding.

17. Controlling party

The company is controlled by the directors R V Thomas and L M Thomas, by virtue of their shareholding.

18. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.