
AVONWOOD DEVELOPMENTS LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

AVONWOOD DEVELOPMENTS LIMITED
REGISTERED NUMBER: 02570711

BALANCE SHEET
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	4	940,828	1,142,464
Tangible assets	5	88,433	115,806
Investments	6	6	6
		<u>1,029,267</u>	<u>1,258,276</u>
Current assets			
Stocks	7	569,437	378,962
Debtors: amounts falling due within one year	8	457,538	491,806
Cash at bank and in hand	9	153,350	7,692
		<u>1,180,325</u>	<u>878,460</u>
Creditors: amounts falling due within one year	10	(287,549)	(400,400)
Net current assets		<u>892,776</u>	<u>478,060</u>
Total assets less current liabilities		<u>1,922,043</u>	<u>1,736,336</u>
Creditors: amounts falling due after more than one year	11	(280,000)	(300,000)
Net assets		<u><u>1,642,043</u></u>	<u><u>1,436,336</u></u>
Capital and reserves			
Called up share capital		13,857	13,857
Share premium account		309,997	309,997
Profit and loss account		1,318,189	1,112,482
		<u><u>1,642,043</u></u>	<u><u>1,436,336</u></u>

AVONWOOD DEVELOPMENTS LIMITED
REGISTERED NUMBER: 02570711

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2019

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.

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 27 November 2019.

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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 2019

1. General information

The company is a private company limited by shares, incorporated in England. 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 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.3 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.

2.4 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.

2.5 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.6 Interest income

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

2.7 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.

2.8 Borrowing costs

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

2.9 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.

2.10 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.

2.11 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.12 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
Motor vehicles	- 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.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 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.

2.15 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.

2.16 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.17 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.

2.18 Financial instruments

The Company only enters into basic financial instrument 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.

3. Employees

The average monthly number of employees, including directors, during the year was 23 (2018 - 23).

4. Intangible assets

	Development £
Cost	
At 1 April 2018	2,886,924
Additions	11,009
	<hr/>
	2,897,933
At 31 March 2019	<hr/>
Amortisation	
At 1 April 2018	1,744,460
Charge for the year	212,645
	<hr/>
	1,957,105
At 31 March 2019	<hr/>
Net book value	
At 31 March 2019	<hr/> <hr/> 940,828
At 31 March 2018	<hr/> <hr/> 1,142,464

AVONWOOD DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

5. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Property improvements £	Total £
Cost or valuation					
At 1 April 2018	370,872	-	191,656	142,330	704,858
Additions	325	13,208	1,783	-	15,316
Disposals	-	(13,208)	-	-	(13,208)
At 31 March 2019	371,197	-	193,439	142,330	706,966
Depreciation					
At 1 April 2018	272,090	-	174,632	142,330	589,052
Charge for the year on owned assets	24,778	-	4,703	-	29,481
At 31 March 2019	296,868	-	179,335	142,330	618,533
Net book value					
At 31 March 2019	74,329	-	14,104	-	88,433
At 31 March 2018	98,782	-	17,024	-	115,806

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

	2019 £	2018 £
Furniture, fittings and equipment	-	13,287
	-	13,287

AVONWOOD DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2018	6
At 31 March 2019	<u>6</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Autotrack Limited	United Kingdom	Ordinary	100 %
Eureka RFID Limited	United Kingdom	Ordinary	100 %
Meditrack Limited	United Kingdom	Ordinary	100 %

The aggregate of the share capital and reserves as at 31 March 2019 and the profit or loss for the year ended on that date for the subsidiary undertakings was as follows:

Name	Aggregate of share capital and reserves £
Autotrack Limited	2
Eureka RFID Limited	2
Meditrack Limited	2

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

7. Stocks

	2019 £	2018 £
Stock and work in progress	<u>569,437</u>	<u>378,962</u>

Stock recognised in cost of sales during the year as an expense was £343,563 (2018 - £420,351).

8. Debtors

	2019 £	2018 £
Trade debtors	371,514	417,700
Other debtors	29,572	12,519
Prepayments and accrued income	56,452	61,587
	<u>457,538</u>	<u>491,806</u>

9. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	153,350	7,692
Less: bank overdrafts	-	(68,981)
	<u>153,350</u>	<u>(61,289)</u>

AVONWOOD DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

10. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank overdrafts	-	68,981
Other loans	20,000	20,000
Trade creditors	128,898	190,136
Corporation tax	8	-
Other taxation and social security	66,387	68,567
Obligations under finance lease and hire purchase contracts	-	2,015
Other creditors	26,154	6,761
Accruals and deferred income	46,102	43,940
	<u>287,549</u>	<u>400,400</u>

The following liabilities were secured:

	2019 £	2018 £
Hire purchase	-	2,015
	<u>-</u>	<u>2,015</u>

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

	2019 £	2018 £
Other loans	280,000	300,000
	<u>280,000</u>	<u>300,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

12. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year		
Other loans	20,000	20,000
	<u>20,000</u>	<u>20,000</u>
Amounts falling due 1-2 years		
Other loans	280,000	300,000
	<u>300,000</u>	<u>320,000</u>

13. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>153,350</u>	<u>7,692</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

14. 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 £18,345 (2018 - £14,487). Contributions totalling £2,939 (2017 - £1,820) were payable to the fund at the balance sheet date.

15. Related party transactions

During the year the company paid rent of £76,128 (2018 - £75,000) to and received a loan of £Nil (2018 - £Nil) from Ambergreen Properties Limited, a company in which directors R V Thomas and L M Thomas are directors and shareholders. At the year end £300,000 (2018 - £320,000) was outstanding.

16. Controlling party

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

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.