

Company Registration No. 2819025 (England and Wales)

SMART CONTROL SYSTEMS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021
PAGES FOR FILING WITH REGISTRAR

SMART CONTROL SYSTEMS LIMITED

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SMART CONTROL SYSTEMS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Notes	2021 £	£	2020 £	£
Non-current assets					
Property, plant and equipment	4		7,789		12,572
Current assets					
Trade and other receivables	5	780,672		454,411	
Cash and cash equivalents		659,824		646,555	
		<u>1,440,496</u>		<u>1,100,966</u>	
Current liabilities	6	(553,620)		(398,400)	
Net current assets			886,876		702,566
Total assets less current liabilities			<u>894,665</u>		<u>715,138</u>
Provisions for liabilities			(961)		(1,351)
Net assets			<u>893,704</u>		<u>713,787</u>
Equity					
Called up share capital			100		100
Retained earnings			893,604		713,687
Total equity			<u>893,704</u>		<u>713,787</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

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 11 February 2022 and are signed on its behalf by:

Mr J J Bashall
Director

Ms L Curry
Director

Company Registration No. 2819025

SMART CONTROL SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

Company information

Smart Control Systems Limited is a private company limited by shares incorporated in England and Wales. The registered office is Tom Dando Close, Normanton Industrial Estate, Normanton, England, WF6 1TP.

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.

1.2 Going concern

The Directors have considered the impact of COVID-19 on the Company's trade, workforce and supply chain, as well as the wider economy. Whilst it is not considered practical to accurately assess the duration and extent of the disruption, the Directors are confident that they have in place plans to deal with any financial losses that may arise. Such plans include but are not limited to fully utilising the support that has been made available by the government in relation to staff costs and payment deferral of taxation.

The Directors therefore continue to adopt the going concern basis of preparation for these financial statements.

1.3 Revenue

Revenue represents amounts receivable for goods and services net of VAT and trade discounts.

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Property, plant and equipment

Property, plant and equipment 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:

Land and buildings Leasehold	20% straight line
Fixtures, fittings & equipment	15% reducing balance

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.

SMART CONTROL SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.5 Impairment of non-current 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.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset 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 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.

1.7 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 statement of financial position 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.

Basic financial assets

Basic financial assets, which include trade and other receivables 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.

SMART CONTROL SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables, 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 payables 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

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

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

SMART CONTROL SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

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 non-current 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 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Grants received in relation to the government Coronavirus Job Retention Scheme (Furlough) have been recognised within other operating income. The grant is accounted for on the accruals basis once the related payroll return has been submitted.

Support received in relation to the interest paid by the UK government under the Coronavirus Business Interruption Loan Scheme is recognised within other operating income on the accruals basis to match the corresponding expense.

1.14 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 in the period are included in profit or loss.

2 Change in accounting policy

Previously the receipt of Coronavirus Job Retention Scheme Grant income was included within Administrative expenses as a credit against the wage costs to which they related.

This year the company has classified this income as grants received within Other Operating Income to align with Generally Accepted Account Principles and also to align with the treatment in the Group accounts.

As a result of the change the comparative total of administrative expenses has increased by £51,814 with a corresponding increase in Other Operating Income.

There is no effect on the comparative operating profit or the retained earnings brought forward.

SMART CONTROL SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	19	22

4 Property, plant and equipment

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 July 2020 and 30 June 2021	16,589	90,030	106,619
Depreciation and impairment			
At 1 July 2020	11,889	82,158	94,047
Depreciation charged in the year	3,317	1,466	4,783
At 30 June 2021	15,206	83,624	98,830
Carrying amount			
At 30 June 2021	1,383	6,406	7,789
At 30 June 2020	4,700	7,872	12,572

5 Trade and other receivables

	2021 £	2020 £
Amounts falling due within one year:		
Trade receivables	359,433	276,566
Amounts owed by group undertakings	311,166	-
Other receivables	110,073	177,845
	780,672	454,411

SMART CONTROL SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

6 Current liabilities

	2021 £	2020 £
Trade payables	402,244	232,361
Taxation and social security	88,568	136,621
Other payables	62,808	29,418
	<u>553,620</u>	<u>398,400</u>

7 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.
The senior statutory auditor was Lesley Kendrew.
The auditor was BHP LLP.

8 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2021 £	2020 £
<u>290,134</u>	<u>291,006</u>

9 Parent company

On 2nd March 2021 the company was acquired by Rare Rockets Limited a company registered in England and Wales.

The accounts contain information about Smart Control Systems Ltd as an individual company and do not contain consolidated information on the group to which Smart Control Systems Ltd belongs.

The financial statements of Rare Rockets Limited, which consolidates those of its subsidiary companies are available from Companies House.

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.