

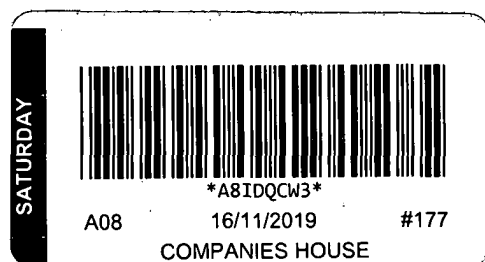
Registration number: 03475429

Novella Satcoms Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2018

AMENDED



Novella Satcoms Limited

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Novella Satcoms Limited

Company Information

Directors	Dr Ventura Tavares Rufino
	Mr Christopher John Maslen
	Mr Colin Glass
Company secretary	Mr Colin Glass
Registered office	KERRY HOUSE KERRY GARTH HORSFORTH LEEDS LS18 4TL
Accountants	Murray Harcourt Partners LLP Chartered Accountants 6 Queen Street Leeds LS1 2TW

Novella Satcoms Limited

(Registration number: 03475429)
Balance Sheet as at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	793,741	970,407
Investments	5	306	306
		<u>794,047</u>	<u>970,713</u>
Current assets			
Stocks	6	370,865	384,330
Debtors	7	686,019	313,872
Cash at bank and in hand		<u>206,854</u>	<u>675,423</u>
		1,263,738	1,373,625
Creditors: Amounts falling due within one year	8	<u>(186,052)</u>	<u>(202,527)</u>
Net current assets		<u>1,077,686</u>	<u>1,171,098</u>
Net assets		<u>1,871,733</u>	<u>2,141,811</u>
Capital and reserves			
Called up share capital		750	750
Share premium reserve		26,865	26,865
Capital redemption reserve		135	135
Profit and loss account		<u>1,843,983</u>	<u>2,114,061</u>
Total equity		<u>1,871,733</u>	<u>2,141,811</u>

For the financial year ending 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

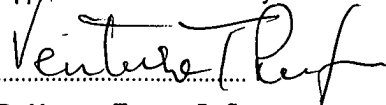
Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 27 September 2019 and signed on its behalf by:



Dr Ventura Tavares Rufino

Director

Novella Satcoms Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 General information

The company is a private company limited by share capital, incorporated in England and Wales .

The address of its registered office is:

KERRY HOUSE
KERRY GARTH
HORSFORTH
LEEDS
LS18 4TL

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. This is the first year in which the financial statements have been prepared under FRS102. Prior year comparative amounts have not been restated as there were no material adjustments brought about by the implementation of the new standard.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received, or receivable, for the sale of goods and the provision of services to customers. Turnover is shown net of value added tax, returns and discounts.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Research and development

Research and development costs are written off to profit and loss account as incurred.

Product Warranties

The cost of maintenance under guarantees and warranties in respect of products delivered and invoiced is recognised as soon as the company accepts liability.

Tax

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Novella Satcoms Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

Deferred tax is recognised on temporary timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Tangible assets

Tangible assets are stated at cost, less any subsequent accumulated depreciation.

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold buildings	2% straight line
Plant and motor vehicles	25% reducing balance

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Trade debtors

Trade debtors are amounts due from customers for goods sold or services performed in the ordinary course of business.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Stocks are assessed for obsolescence, and if stocks are impaired the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in the profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions to defined contribution plans are recognised as employee benefit expense when they are due.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 17 (2017 - 17).

Novella Satcoms Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

4 Tangible assets

	Land and buildings £	Motor vehicles £	Other tangible assets £	Total £
Cost or valuation				
At 1 January 2018	1,095,751	69,320	713,362	1,878,433
Additions	-	-	5,917	5,917
Disposals	-	(37,320)	(1,393)	(38,713)
At 31 December 2018	<u>1,095,751</u>	<u>32,000</u>	<u>717,886</u>	<u>1,845,637</u>
Depreciation				
At 1 January 2018	190,980	44,031	673,015	908,026
Charge for the year	15,915	3,375	11,255	30,545
Eliminated on disposal	-	(25,531)	-	(25,531)
Impairment	<u>138,856</u>	<u>-</u>	<u>-</u>	<u>138,856</u>
At 31 December 2018	<u>345,751</u>	<u>21,875</u>	<u>684,270</u>	<u>1,051,896</u>
Carrying amount				
At 31 December 2018	<u>750,000</u>	<u>10,125</u>	<u>33,616</u>	<u>793,741</u>
At 31 December 2017	<u>904,771</u>	<u>25,289</u>	<u>40,347</u>	<u>970,407</u>

Impairment

Land and buildings

Following an independent valuation of the property it was noted the carrying value based on historic depreciated cost exceeded the fair value. The amount of impairment loss included in profit or loss is £138,855 (2017 - £Nil).

5 Investments

	2018 £	2017 £
Investments in associates	<u>306</u>	<u>306</u>

Novella Satcoms Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

Associates	£
Cost	
At 1 January 2018	306
At 31 December 2018	306
Carrying amount	
At 31 December 2018	306
At 31 December 2017	306

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Associates

Novella USA Inc, incorporated in the United States of America.

49% of common stock held (2016: 49%).

The principal activity of Novella USA Inc is as a seller of satellite earth station radio frequency equipment.

Accounts for the company for the year ended 31 December 2018 show net liabilities of \$ 137. The profit for the year ended on that date was \$ 18 on turnover of \$ 287,445.

The directors consider it is not necessary to write down the investment.

6 Stocks

	2018 £	2017 £
Raw materials and consumables	257,945	179,440
Work in progress	48,220	127,040
Finished goods and goods for resale	64,700	77,850
	<u>370,865</u>	<u>384,330</u>

7 Debtors

	2018 £	2017 £
Trade debtors	153,379	105,385
Prepayments	20,540	37,101
Other debtors	512,100	171,386
	<u>686,019</u>	<u>313,872</u>

Novella Satcoms Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

8 Creditors

Creditors: amounts falling due within one year

	2018 £	2017 £
Due within one year		
Trade creditors	64,311	114,514
Taxation and social security	17,362	19,887
Accruals and deferred income	10,060	18,249
Other creditors	94,319	49,877
	<u>186,052</u>	<u>202,527</u>

9 Related party transactions

Transactions with directors

	At 1 January 2018 £	Advances to directors £	Repayments by director £	At 31 December 2018 £
2018				
Dr Ventura Tavares Rufino				
Director's loan account	<u>98,284</u>	<u>293,353</u>	<u>(34,434)</u>	<u>357,203</u>
				At 31
	At 1 January	Advances to	Repayments	December
	2017	directors	by director	2017
	£	£	£	£
2017				
Dr Ventura Tavares Rufino				
Director's loan account	<u>-</u>	<u>135,084</u>	<u>(36,800)</u>	<u>98,284</u>

Other transactions with directors

One director received fees of £28,110 (2017: 31,342) for professional services. At the balance sheet date, the amount due to the director was £1,730 (2017: £9,810).

Fees of £22,817 (2017: £13,034) were charged by a firm of Chartered Accountants of which one director is a partner, for professional services. At the balance sheet date, the amount due to the firm was £17,172 (2017: £11,531).

Novella Satcoms Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

Summary of transactions with associates

A company in which Novella Satcoms Limited holds a 49% interest.

Summary of transactions with other related parties

Income and receivables from related parties

2018

Sale of goods

Amounts receivable from related party

Associates

£

170,215

3,751

2017

Sale of goods

Amounts receivable from related party

Associates

£

184,733

7,134