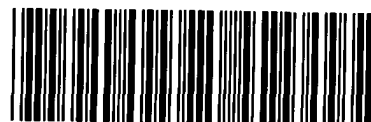


Company Registration No. 03556493 (England and Wales)

SMART-EX TECHNOLOGY LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 DECEMBER 2016
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SMART-EX TECHNOLOGY LTD**STATEMENT OF FINANCIAL POSITION****AS AT 30 DECEMBER 2016**

	Notes	2016 £	£	2015 £	£
Fixed assets					
Intangible assets	3		989,440		993,038
Tangible assets	4		188,489		286,870
Investments	5		3,242		3,242
			<u>1,181,171</u>		<u>1,283,150</u>
Current assets					
Stocks			722,822		715,520
Debtors	6		747,882		258,757
Cash at bank and in hand			175,237		29,348
			<u>1,645,941</u>		<u>1,003,625</u>
Creditors: amounts falling due within one year	7		<u>(1,955,196)</u>		<u>(1,247,191)</u>
Net current liabilities			<u>(309,255)</u>		<u>(243,566)</u>
Total assets less current liabilities			871,916		1,039,584
Creditors: amounts falling due after more than one year	8		-		(80,556)
Provisions for liabilities	9		(7,100)		(8,062)
Net assets			<u>864,816</u>		<u>950,966</u>
Capital and reserves					
Called up share capital	10		200,000		200,000
Profit and loss reserves			664,816		750,966
Total equity			<u>864,816</u>		<u>950,966</u>

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

SMART-EX TECHNOLOGY LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

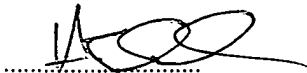
AS AT 30 DECEMBER 2016

For the financial Period ended 30 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and the members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of 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 16/06/17..... and are signed on its behalf by:



H Gould
Director

SMART-EX TECHNOLOGY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 DECEMBER 2016

1 Accounting policies

Company information

Smart-Ex Technology Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 46 Barkston House, Croydon Street, Leeds, West Yorkshire, LS11 9RT.

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.

First time adoption of FRS 102

These financial statements are the first financial statements of Smart-Ex Technology Ltd prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Smart-Ex Technology Ltd for the year ended 31 December 2015 were prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from the Financial Reporting Standard for Smaller Entities (effective January 2015). Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

Consolidation

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

Going concern

The financial statements have been prepared on a going concern basis. The directors have considered how the company will meet the challenges presented by the current economic environment and have carried out a detailed review of the company's resources. The directors are satisfied that the company has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of these financial statements.

Turnover

The turnover shown in the profit and loss account represents the value of all goods sold during the period, less returns received, at selling price exclusive of Value Added Tax. Sales are recognised at the point at which the company has fulfilled its contractual obligation and the risks and rewards attaching to the product, such as obsolescence, have been transferred to the customer.

SMART-EX TECHNOLOGY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 DECEMBER 2016

1 Accounting policies (Continued)

Research and development expenditure

Expenditure on research and development is charged to profit and loss account in the year in which it is incurred with the exception of expenditure on the development of certain major new product projects where the outcome of those projects is assessed as being reasonably certain as regards viability and technical feasibility. Such expenditure is capitalised and amortised over a period not longer than 10 years commencing in the year sales of the product are first made.

Amortisation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the estimated useful economic life of that asset as follows:

Product development - 10% straight line basis.

Tangible fixed assets

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

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

Land and buildings Leasehold	20% straight line basis
Plant and machinery	20% straight line basis

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.

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Stocks

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Cost is determined using the weighted average purchase cost.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

SMART-EX TECHNOLOGY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 DECEMBER 2016

1 Accounting policies (Continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

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.

Retirement benefits

The company makes contributions into the personal pension schemes of certain employees and the pension charge represents the amounts payable by the company to the fund in respect of the year.

Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

2 Employees

The average monthly number of persons (including directors) employed by the company during the period was 15 (2015 - 24).

SMART-EX TECHNOLOGY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 DECEMBER 2016

3 Intangible fixed assets

	Product development £
Cost	
At 1 January 2016	1,313,426
Additions - internally developed	134,184
	<hr/>
At 30 December 2016	1,447,610
	<hr/>
Amortisation and impairment	
At 1 January 2016	320,388
Amortisation charged for the period	137,782
	<hr/>
At 30 December 2016	458,170
	<hr/>
Carrying amount	
At 30 December 2016	989,440
	<hr/>
At 31 December 2015	993,038
	<hr/>

4 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 January 2016	500,268	890,966	1,391,234
Additions	-	20,943	20,943
	<hr/>	<hr/>	<hr/>
At 30 December 2016	500,268	911,909	1,412,177
	<hr/>	<hr/>	<hr/>
Depreciation and impairment			
At 1 January 2016	488,567	615,797	1,104,364
Depreciation charged in the period	4,461	114,863	119,324
	<hr/>	<hr/>	<hr/>
At 30 December 2016	493,028	730,660	1,223,688
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 30 December 2016	7,240	181,249	188,489
	<hr/>	<hr/>	<hr/>
At 31 December 2015	11,701	275,169	286,870
	<hr/>	<hr/>	<hr/>

5 Fixed asset investments

	2016 £	2015 £
Investments	3,242	3,242
	<hr/>	<hr/>

SMART-EX TECHNOLOGY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 DECEMBER 2016

6 Debtors

	2016	2015
	£	£
Amounts falling due within one year:		
Trade debtors	630,062	123,719
Corporation tax recoverable	27,568	71,908
Amounts due from group undertakings	-	5,642
Other debtors	90,252	57,488
	<u>747,882</u>	<u>258,757</u>

7 Creditors: amounts falling due within one year

	2016	2015
	£	£
Bank loans and overdrafts	1,013,755	522,460
Trade creditors	459,064	339,713
Amounts due to group undertakings	424,101	211,248
Other taxation and social security	14,550	25,967
Other creditors	43,726	147,803
	<u>1,955,196</u>	<u>1,247,191</u>

8 Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Bank loans and overdrafts	-	80,556
	<u>-</u>	<u>80,556</u>

The bank loans and overdrafts included in the above are secured by a fixed and floating charge over all assets the company. Included in the bank loans and overdrafts figure of £1,013,755 is £560,876 (2015 - £120,878) relating to invoice discounting drawdowns at the year end.

9 Provisions for liabilities

	2016	2015
	£	£
Warranty provision	<u>7,100</u>	<u>8,062</u>

Provisions for the expected costs of maintenance under guarantees are charged to the profit and loss account when products have been invoiced. The effect of the time value of money is not material and therefore provisions have not been discounted.

SMART-EX TECHNOLOGY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 DECEMBER 2016

10 Called up share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
200,000 ordinary of £1 each	200,000	200,000

11 Related party transactions

Transactions with related parties

During the period ended 30 December 2016 the company purchased financial management services to the value of £nil (2015 - £42,418) from FDYL LLP, which includes £nil (2015 - £18,664) classified as directors' remuneration. FDYL LLP is a limited liability partnership in which a member, who was also a director of the company and, who resigned as a director on 31 December 2015, has an interest. Amounts owed to FDYL LLP at 30 December 2016 were £nil (2015 - £10,645).

During the period ended 30 December 2016 the company purchased general management and accounting and administrative support to the value of £929 (2015 - £120,428) from Turnaround and Interim Management Limited ("TandIM") which includes £nil (2015 - £34,678) classified as directors' remuneration. TandIM is a company in which a director has an interest. Amounts owed to TandIM at 30 December 2016 were £30,175 (2015 - £42,376).

The company has a loan amounting to £80,556 (2015 - £96,667) for which a director has given personal guarantees amounting to £123,250. A director (who resigned in the prior year), had secured liabilities of up to £21,750 during the period but this was released on 12 August 2016.

In the previous period a director loaned £2,500 to the company. This balance at the period end was £nil (2015 - £2,500). No interest has been charged on this loan.

12 Parent company

The company's immediate parent company is Smart-Ex Holdings Ltd, a company incorporated in England and Wales. The registered office of Smart-Ex Holdings Limited is 46 Barkston House, Croydon Street, Leeds, West Yorkshire, LS11 9RT.

The ultimate controlling party is H Gould by virtue of their majority shareholding of ordinary share capital in Smart-Ex Holding Ltd.