

Registration number: 04204089

PSD Codax Limited

Annual Report and  Financial Statements

for the Year Ended 31 December 2018

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PSD Codax Limited

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PSD Codax Limited

Company Information

Directors	Brian Bath
	Cindy Penchishen
	Kevin Detrick
	Rob Deal
	Jon Hill
Company secretary	Mr Paul Clive P C Cockram
Registered office	c/o Bryan Cave Leighton Paisner
	Adelaide House
	London Bridge
	London
	EC4R 9HA
Accountants	Zig Zag Chartered Accountants
	14 Queen Square
	Bath
	BA1 2HN
Auditors	Edward James
	Grenfell James Audit LLP
	13 The Courtyard
	Timothy's Bridge Road
	Stratford-Upon-Avon CV37 9NP

PSD Codax Limited

Directors' Report for the Year Ended 31 December 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Directors of the company

The directors who held office during the year were as follows:

Brian Bath

Cindy Penchishen

Kevin Detrick

Rob Deal

Jon Hill (appointed 26 March 2018)

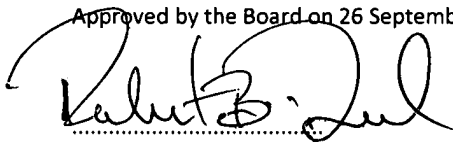
Principal activity

The principal activity of the company is the manufacture and development of electronic equipment.

Small companies provision statement

This report has 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.

Approved by the Board on 26 September 2019 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Rob Deal', is written over a dotted line.

Rob Deal
Director

PSD Codax Limited

Independent Auditor's Report to the Members of PSD Codax Limited

Opinion

We have audited the financial statements of PSD Codax Limited (the 'company') for the year ended 31 December 2018, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

PSD Codax Limited

Independent Auditor's Report to the Members of PSD Codax Limited (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the [set out on page], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

PSD Codax Limited

Independent Auditor's Report to the Members of PSD Codax Limited (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



.....
Edward James (Senior Statutory Auditor)
For and on behalf of Edward James, Statutory Auditor

Grenfell James Audit LLP
13 The Courtyard
Timothy's Bridge Road
Stratford-Upon-Avon
CV37 9NP

26 September 2019

PSD Codax Limited

Profit and Loss Account for the Year Ended 31 December 2018

	Note	2018 £	2017 £
Turnover		890,332	680,454
Cost of sales		<u>(701,640)</u>	<u>(646,268)</u>
Gross profit		188,692	34,186
Distribution costs		(29,371)	(37,030)
Administrative expenses		<u>(288,898)</u>	<u>(176,547)</u>
Operating loss		<u>(129,577)</u>	<u>(179,391)</u>
Other interest receivable and similar income		48	-
Interest payable and similar expenses		<u>66</u>	<u>(2,143)</u>
		<u>114</u>	<u>(2,143)</u>
Loss before tax	5	(129,463)	(181,534)
Taxation		<u>75,232</u>	<u>-</u>
Loss for the financial year		<u><u>(54,231)</u></u>	<u><u>(181,534)</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 11 to 18 form an integral part of these financial statements.

PSD Codax Limited

Statement of Comprehensive Income for the Year Ended 31 December 2018

	2018	2017
	£	£
Loss for the year	<u>(54,231)</u>	<u>(181,534)</u>
Total comprehensive income for the year	<u><u>(54,231)</u></u>	<u><u>(181,534)</u></u>

The notes on pages 11 to 18 form an integral part of these financial statements.

PSD Codax Limited

**(Registration number: 04204089)
Balance Sheet as at 31 December 2018**

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	6	25,250	37,370
Tangible assets	7	<u>31,296</u>	<u>14,389</u>
		<u>56,546</u>	<u>51,759</u>
Current assets			
Stocks	8	295,872	153,273
Debtors	9	480,106	412,860
Cash at bank and in hand		<u>89,185</u>	<u>42,199</u>
		865,163	608,332
Creditors: Amounts falling due within one year	10	<u>(624,291)</u>	<u>(308,442)</u>
Net current assets		<u>240,872</u>	<u>299,890</u>
Total assets less current liabilities		297,418	351,649
Provisions for liabilities		<u>(3,013)</u>	<u>(3,013)</u>
Net assets		<u>294,405</u>	<u>348,636</u>
Capital and reserves			
Called up share capital	11	1,000	1,000
Profit and loss account		<u>293,405</u>	<u>347,636</u>
Total equity		<u>294,405</u>	<u>348,636</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.

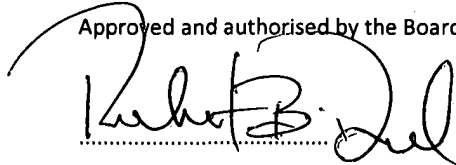
These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

PSD Codax Limited

(Registration number: 04204089)

Balance Sheet as at 31 December 2018 (continued)

Approved and authorised by the Board on 26 September 2019 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Rob Deal', is written over a horizontal dotted line.

Rob Deal
Director

The notes on pages 11 to 18 form an integral part of these financial statements.

PSD Codax Limited

Statement of Changes in Equity for the Year Ended 31 December 2018

	Share capital £	Profit and loss account £	Total £
At 1 January 2018	1,000	347,636	348,636
Loss for the year	-	(54,231)	(54,231)
Total comprehensive income	-	(54,231)	(54,231)
At 31 December 2018	1,000	293,405	294,405

	Share capital £	Profit and loss account £	Total £
At 1 April 2017	1,000	529,170	530,170
Loss for the year	-	(181,534)	(181,534)
Total comprehensive income	-	(181,534)	(181,534)
At 31 December 2017	1,000	347,636	348,636

The notes on pages 11 to 18 form an integral part of these financial statements.

PSD Codax 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:

c/o Bryan Cave Leighton Paisner

Adelaide House

London Bridge

London

EC4R 9HA

These financial statements were authorised for issue by the Board on 26 September 2019.

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.

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 provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

PSD Codax Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and Machinery	20% reducing balance
Fixtures and fittings	15% reducing balance

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	5% straight line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

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

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

PSD Codax Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)

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 and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. 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 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. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

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. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

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. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 9 (2017 - 9).

4 Auditors' remuneration

	2018 £	2017 £
Audit of the financial statements	<u>4,000</u>	<u>7,000</u>

PSD Codax Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

4 Auditors' remuneration (continued)

5 Loss before tax

Arrived at after charging/(crediting)

	2018	2017
	£	£
Depreciation expense	2,545	3,108
Amortisation expense	<u>12,120</u>	<u>12,120</u>

PSD Codax Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

6 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 January 2018	242,400	242,400
At 31 December 2018	242,400	242,400
Amortisation		
At 1 January 2018	205,030	205,030
Amortisation charge	12,120	12,120
At 31 December 2018	217,150	217,150
Carrying amount		
At 31 December 2018	25,250	25,250
At 31 December 2017	37,370	37,370

7 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 January 2018	68,152	89,370	157,522
Additions	-	19,452	19,452
At 31 December 2018	68,152	108,822	176,974
Depreciation			
At 1 January 2018	68,151	74,982	143,133
Charge for the year	-	2,545	2,545
At 31 December 2018	68,151	77,527	145,678
Carrying amount			
At 31 December 2018	1	31,295	31,296
At 31 December 2017	1	14,388	14,389

Included within the net book value of land and buildings above is £1 (2017 - £1) in respect of long leasehold land and buildings.

PSD Codax Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

8 Stocks

	2018	2017
	£	£
Other inventories	<u>295,872</u>	<u>153,273</u>

9 Debtors

	2018	2017
	£	£
Trade debtors	111,442	142,703
Amounts owed by parent company which holds the participating interest in this subsidiary	12 261,363	261,363
Prepayments	30,879	8,794
Other debtors	<u>76,422</u>	<u>-</u>
	<u>480,106</u>	<u>412,860</u>

10 Creditors

Creditors: amounts falling due within one year

	2018	2017
	£	£
Due within one year		
Trade creditors	242,092	45,714
Taxation and social security	-	2,573
Accruals and deferred income	5,678	8,234
Other creditors	<u>376,521</u>	<u>251,921</u>
	<u>624,291</u>	<u>308,442</u>

11 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary of £1 each	1,000	1,000	1,000	1,000

PSD Codax Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

12 Related party transactions

Directors' remuneration

The directors' remuneration for the year was as follows:

	2018	2017
	£	£
Remuneration	<u>46,750</u>	<u>-</u>

Summary of transactions with other related parties

Innovative Control Systems Inc who own 100% share capital of PSD Codax Holdings Limited, who own 100% share capital in PSD Codax Limited.

The transactions were out within the normal course of business and at arms length.

Income and receivables from related parties

	Other related parties
	£
2018	
Sale of goods	<u>9,319</u>
	Other related parties
	£
2017	
Sale of goods	<u>2,476</u>

Expenditure with and payables to related parties

	Other related parties
	£
2018	
Purchase of goods	<u>39,679</u>
	Other related parties
	£
2017	
Purchase of goods	<u>83,552</u>

Loans to related parties

	Parent
	£
2018	
At start of period	<u>260,697</u>

Loans from related parties

PSD Codax Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

12 Related party transactions (continued)

2018	Parent £
At start of period	251,921
Advanced	<u>124,601</u>
At end of period	<u><u>376,522</u></u>

13 Post Balance Sheet Event

Since 31st December 2018, the company has received a dilapidations claim from the landlord of the premises previously occupied by the company until 30th November. No provision has been made for the liability as at 31 December 2018, and the liability, when agreed, is expected to be crystallised in 2019.