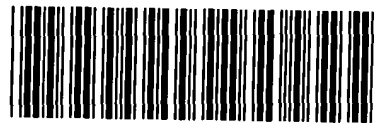


Our IT Department Limited
Annual report and accounts 2019

TUESDAY



A8B9XAU7

A19

06/08/2019

#188

COMPANIES HOUSE

Directors' report

For the year ending 31 March 2019

The directors present their report and the financial statements for the year ending 31 March 2019.

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework', and with the Companies Act 2006.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

They are further responsible for ensuring that the report of the directors and other information included in the annual report and financial statements is prepared in accordance with applicable law in the United Kingdom.

The Board

Ian Fishwick
John Swaite

Provision of information to auditor

So far as each of the directors is aware at the time the report was approved:

- there was no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor was aware of that information.

Going concern

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors regard the going concern basis as remaining appropriate as they have assessed the company's financial performance and position.

Based on the normal business planning and control procedures the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the accounts.


Directors' report continued

Auditor

The auditor, Crowe U.K. LLP, will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

In preparing this report the directors have taken advantage of the small companies exemptions provided by Section 415A of the Companies Act 2006.

By order of the Board

A handwritten signature in black ink, appearing to read 'John Swaite', written in a cursive style.

John Swaite

Director

31 July 2019

Independent auditor report

To the shareholders of Our IT Department Limited

Opinion

We have audited the financial statements of Our IT Department Limited for the year ended 31 March 2019 which comprise the income statement, statement of financial position, statement of changes in equity and related 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 Financial Reporting Standard 101 'Reduced Disclosure Framework'.

This report is made solely to the company's shareholders, 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 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 directors are responsible for the 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.

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 our 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.

Independent auditor report continued

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the company, 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 exemption in preparing the directors report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, 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.

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.

Crowe UK LLP

Darren Rigden
Senior Statutory Auditor
For and on behalf of
Crowe UK LLP

Statutory Auditor
Riverside House
40-46 High Street
Maidstone
Kent
ME14 1JH

1/8

2019

Statement of comprehensive income

For the year ending 31 March 2019

	Note	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Revenue	2	4,566	5,169
Cost of sales		1,688	1,983
Gross profit		2,878	3,186
Administrative expenses		2,259	2,457
Operating profit		619	729
Finance costs	6	2	-
Profit before income tax		617	729
Income tax expense	8	127	154
Profit for the period		490	575
Other comprehensive income		-	-
Total comprehensive income		490	575

There was no other comprehensive income for the period ended 31 March 2019 (2018: £Nil).

The notes on pages 9 to 17 form part of these financial statements.

Statement of financial position

As at 31 March 2019

	Note	31 March 2019 £'000	31 March 2018 £'000
Assets			
Non-current assets			
Intangibles	9	51	65
Property, plant and equipment	10	178	158
Investment	11	1,673	1,673
		1,902	1,896
Current assets			
Inventories	13	20	20
Trade and other receivables	14	918	827
Cash and cash equivalents		184	138
		1,122	985
Total assets		3,024	2,881
Current liabilities			
Trade and other payables	15	701	1,421
Income tax		45	71
Deferred tax	12	8	15
		754	1,507
Non-current liabilities			
Long-term borrowings		-	-
Total liabilities		754	1,507
Net assets		2,270	1,374
Equity attributable to equity holders			
Share capital		1	1
Revaluation reserve		18	18
Retained earnings		2,251	1,355
Total equity		2,270	1,374

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and within part 15 of the Companies Act 2006 and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

The financial statements were approved and authorised for issue by the Board on 31 July 2019 and signed on its behalf.



John Swaite
Director

The notes on pages 9 to 17 form part of these financial statements.

Registered number 04640762

Statement of changes in equity

For the year ended 31 March 2019

	Attributable to equity holders			
	Share capital £'000	Revaluation Reserve £'000	Retained earnings £'000	Total equity £'000
Equity at 1 January 2017	1	18	780	799
Profit for the year	-	-	575	575
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	575	575
Dividends	-	-	-	-
Equity at 1 April 2018	1	18	1,355	1,374
Impact of change in accounting policy (note 4)	-	-	(94)	(94)
Adjusted equity at 1 April 2018	1	18	1,261	1,280
Profit for the year	-	-	490	490
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	490	490
Dividends	-	-	500	500
Equity at 31 March 2019	1	18	2,251	2,270

The company has adopted IFRS 9 from 1 April 2018 with an opening adjustment to equity.

The notes on pages 9 to 17 form part of these financial statements.

Notes to the financial statements

For the 15 months ended 31 March 2019

1. Nature of operations and general information

The company's principal activity during the year continued to be IT support and consultancy.

Our IT Department Limited is a private company limited by shares incorporated under the Companies Act, domiciled in the UK (registered in England and Wales under company number 04640762) and the registered office is located at One Fleet Place, London EC4M 7WS.

2. Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework', and with the Companies Act 2006. The financial statements have been prepared on the historical cost convention.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.

At the date of authorisation of these financial statements, the directors have considered the standards and interpretations which have not been applied in these financial statements that were in issue but not yet effective (and in some cases had not yet been adopted by the EU) and IFRS 16 "Leases" was considered to be relevant.

The company has undertaken a detailed assessment to determine the impact of adopting IFRS 16, with initial application from 1 April 2019, which introduces for certain lease contracts significant changes to the allocation of the costs in the statement of comprehensive income, it is estimated that the changes will increase operating profit and EBITDA by approximately £0.08m but it is not expected to have a material impact on profit before tax. It is expected that the recognition of lease assets and liabilities will increase the gross value of assets and liabilities by approximately £0.16m and decrease net current assets £0.17m.

The financial statements are presented in sterling which is the company's functional and presentation currency. The figures shown in the financial statements are rounded to the nearest thousand pounds.

Consolidated accounts have not been prepared as they are prepared higher up the group by the parent entity, AdEPT Technology Group plc.

The following principal accounting policies have been applied:

Going concern

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors confirm that they consider that the going concern basis remains appropriate. The company has adequate financing arrangements which can be utilised by the company as required. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Revenue

The following is a description of the principal activities from which the Group generates its revenue.

Segment	Product/service	Nature, timing of satisfaction of performance obligations and significant payment terms
Managed services	Data networks	<p>Revenue arising from the provision of internet and other data connectivity services is recognised evenly over the periods in which the service is provided to the customer. Revenue from installation of data connectivity services are recognised evenly over the term of the customer contract.</p> <p>The performance obligations of data networks are fulfilled when the equipment is installed, the service has gone live and the associated data connectivity rental services are consumed by customers on a monthly basis.</p> <p>All equipment required for data connectivity services is covered by a standard manufacturer warranty which is provided back-to-back with customer terms.</p> <p>Customer payment terms are 14 days from invoice, installation charges (if applicable) are paid for upfront with the rental charges paid on a monthly, annual or quarterly basis.</p>
Managed services	Sale of goods	<p>Revenue from the sale of goods is recognised when the goods have been fully installed and the risks and rewards of ownership have passed to the customer.</p> <p>The performance obligations of the supply of goods and equipment are met when the goods have been delivered, configured and installed.</p> <p>All goods supplied are covered by a standard manufacturer warranty which is provided back-to-back with customer terms.</p> <p>Customer payment terms are 30 days from invoice date. A deposit of up to 33% is invoiced prior to delivery with the balance being invoiced once the equipment has been configured and installed.</p>
Managed services	Support services	<p>Support service revenues are recognised evenly over the customers contractual period for which the charges relate. Support service charges which arise outside of the customer contracts are recognised in the month when the support service is provided.</p> <p>The performance obligations of support services are fulfilled in the month in which the services are consumed by customers.</p> <p>Customer payment terms are 14-30 days from invoice date, support services are invoiced and paid for up to twelve months in advance.</p>

Where customer contracts have multiple components to be delivered (e.g. equipment rental and internet services), the revenue attributable to each component is calculated based on the fair value of each component.

The whole of the revenue is attributable to the provision of computer consultancy and IT services to business customers. All revenue arose within the United Kingdom.

Intangible assets

Intangible assets are recognised at fair value at the acquisition date. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses

Investments

Shareholdings in subsidiaries are valued at cost less provision for permanent impairment.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost, less depreciation and any provision for impairment. Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost, less estimated residual value of each asset, over its expected useful life on the following bases:

Fixtures and fittings	– 15% reducing balance
Office equipment	– 20% reducing balance
Computer equipment	– 30% on cost

All fixed assets are included in plant & machinery, see note 10.

Inventories

Inventories are valued at the lower of cost and net realisable value after making allowance for any obsolete or slow moving items. Net realisable value is reviewed regularly to ensure accurate carrying values. Cost is determined on a first-in-first-out basis and includes transportation and handling costs.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Pensions

The company operates a defined contribution pension scheme. The amount charged to the income statement in respect of pension costs is the contribution payable in the year.

Income tax

Income tax is the tax currently payable based on taxable profit for the year.

Deferred income tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred income tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred income tax liabilities are provided in full, with no discounting. Deferred income tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred income tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred income tax assets or liabilities are recognised as a component of income tax expense in the income statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred income tax is also charged or credited directly to equity.

Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors.

Short term debtors are measured at transaction price, less any impairment.

Short term trade creditors are measured at transaction price.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The company makes judgements, estimates and assumptions that affect the application of policies and the carrying value of assets and liabilities, income and expenses. The resulting accounting estimates calculating these judgements will by definition, seldom equal the related actual results but are based on the experience of the directors and expectations of future events. The estimates are reviewed on an ongoing basis. Revisions to accounting estimates are made in the period in which the estimate is revised.

Allowance for impairment of receivables

Management reviews are performed to estimate the level of provision required for irrecoverable debt under the requirements of IFRS9. Provisions are made specifically against invoices where recoverability is uncertain. Further information on the receivables allowance account is given in Note 14.

4. Changes in accounting policy

Except for the changes below, the company has consistently applied the accounting policies in these financial statements.

The details and quantitative impact of the changes in accounting policies are disclosed below:

IFRS 9 Financial Instruments

IFRS 9 replaces the provisions of IFRS 9 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 from 1 April 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in Note 2 above. In accordance with the transitional provisions in IFRS 9 comparative figures have not been restated.

The following tables summarise the impacts of adopting IFRS 9 on the company's financial statements for the year ended 31 March 2019:

£'000	As reported	Adjustments	Balances without adoption of IFRS 9
Assets			
Non-current assets	1,902	-	1,902
Inventories	20	-	20
Trade and other receivables	918	108	1,026
Cash and cash equivalents	184	-	184
Current assets	1,122	108	1,230
Total assets	3,024	108	3,132
Total liabilities	754	-	754
Net assets	2,270	108	2,378
Equity attributable to equity holders			
Share capital	1	-	1
Revaluation reserve	18	-	18
Retained earnings	2,251	108	2,359
Total equity	2,270	108	2,378

The company has recognised the cumulative effect of initially applying IFRS 9 with an opening adjustment to equity of £94,252 at 1 April 2018. The net impact on profit before tax of applying IFRS 9 in the year ended 31 March 2019 was £14,014, resulting in a net adjustment to retained earnings at 31 March 2019 of £108,266.

5. Auditor remuneration

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Fees payable to the company's auditor for the audit of the company's annual financial statements	8	8
Fees payable to the company's auditor and their associates in respect of:		
– other services relating to taxation	2	2

6. Finance costs

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Finance costs	2	-

7. Employee costs

Staff costs, including directors' remuneration, were as follows:

	2019 £'000	2018 £'000
Wages and salaries	1,496	1,711
Social security costs	157	179
Auto enrol pension costs	27	24
	1,680	1,914

The average monthly number of employees, including the directors, during the period was 40 (2018: 45).

The company operates defined contribution pension schemes. The pension charge represents contributions payable by the company and amounted to £27,553 (2018: £23,583). At 31 March 2019 there were no pension commitments (2018: £Nil).

8. Income tax expense

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Current tax		
UK corporation tax on profit for the year	134	156
Adjustments in respect of prior periods	-	(17)
Total current tax	134	139
Deferred tax		
Origination and reversal of timing differences	(5)	(15)
Adjustments in respect of prior periods	-	30
Effect of tax rate change on opening balance	(2)	-
Total deferred tax (see Note 12)	(7)	15
Total income tax expense	127	154

Factors affecting tax charge for year

The relationship between expected tax expense based on the effective tax rate of Our IT Department Limited at 19% (2018: 19%) and the tax expense actually recognised in the income statement can be reconciled as follows:

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Profit before income tax	617	729
Tax rate	19	19
Expected tax charge	117	138
Expenses not deductible for tax purposes	3	1
Adjustments to tax charge in respect of prior periods	-	13
Differences due to deferred tax rate being lower than standard CT rate	(1)	-
Depreciation on non-qualifying assets	5	2
Other	3	-
Actual tax expense net	127	154

There were no material factors that may affect future tax charges.

9. Intangibles

	Contracts £'000	Total £'000
Cost		
At 1 April 2018	314	314
Additions	-	-
Disposals	-	-
At 31 March 2019	314	314
Depreciation		
At 1 April 2018	249	249
Charge for the year	13	13
Disposals	-	-
At 31 March 2019	263	262
Net book value		
At 31 March 2019	51	51
At 31 March 2018	65	65

The intangible assets above relate to acquired customer bases and the amortisation charge for the year is included within administrative expenses in the Statement of Comprehensive Income.

10. Property, plant and equipment

	Plant and machinery £'000	Total £'000
Cost		
At 1 April 2018	538	538
Additions	109	109
Disposals	-	-
At 31 March 2019	647	647
Depreciation		
At 1 April 2018	380	380
Charge for the year	89	89
Disposals	-	-
At 31 March 2019	469	469
Net book value		
At 31 March 2019	178	178
At 31 March 2018	158	158

11. Investments in subsidiaries

	Total £'000
Cost	
At 1 April 2018	1,673
Additions	-
Disposals	-
At 31 March 2019	1,673
Amounts written off	
At 1 April 2018	-
Written off during the year	-
At 31 March 2019	-
Net book value	
At 31 March 2019	1,673
At 31 March 2018	1,673

12. Deferred taxation

	2019 £'000	2018 £'000
At 1 April 2018	15	-
Income statement (credit)/charge	(7)	15
At 31 March 2019	8	15

The deferred tax liability is made up as follows:

	2019 £'000	2018 £'000
Accelerated capital allowances	8	15
Short-term timing differences	-	-
	8	15

13. Inventories

	2019 £'000	2018 £'000
Consumables	20	20

There is no material difference between the replacement cost of inventories and the amount stated above.

Inventories recognised as an expense during the period totalled £838,753 (2018: £1,765,276).

14. Trade and other receivables

	2019 £'000	2018 £'000
Trade receivables	810	728
Other receivables	23	29
Prepayments and accrued income	85	70
	918	827

The company initially recognise trade and other receivables at fair value, which is usually the original invoiced amount. They are subsequently carried at amortised cost using the effective interest method. The carrying amount of these balances approximates to fair value due to the short maturity of amounts receivable.

The company provide services to business customers, mainly on credit terms. The company knows that certain debts due to us will not be paid through the default of a small number of our customers. Because of this, we recognise an allowance for doubtful debts on initial recognition of receivables, which is deducted from the gross carrying amount of the receivable. The allowance is calculated by reference to credit losses expected to be incurred over the lifetime of the receivable. In estimating a loss allowance, we consider historical experience and informed credit assessment alongside other factors such as the current state of the economy and particular industry issues. We consider reasonable and supportable information that is relevant and available without undue cost or effort.

Once recognised, trade receivables are continuously monitored and updated. Allowances are based on our historical loss experiences for the relevant aged category as well as forward-looking information and general economic conditions.

The company has one type of financial assets that are subject to IFRS 9's new expected credit loss model:

- trade receivables for sales of inventory and from the provisions of consulting services

The company was required to revise its impairment methodology under IFRS 9 for each of these classes of assets. The impact of the change in impairment methodology on the company's retained earnings and equity is disclosed in the table in Note 4 above.

Trade receivables and contract assets

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. This resulted in an increase of the loss allowance on 1 April 2018 by £94,252 for trade receivables.

As at 31 March 2019, trade receivables of £116,873 (2018: £107,368) were fully provided for.

The movement of the provision for impairment of trade receivables is as follows:

	Company £'000
At 1 April 2017	13
Receivables provided for during the year as uncollectable	-
Receivables collected during the year which were previously provided	-
At 1 April 2018	13
Change of accounting policy	94
At 1 April 2018 adjusted	107
Receivables provided for during the year as uncollectable	14
Receivables collected during the year which were previously provided	(4)
At 31 March 2019	117

The creation and release of a provision for impaired receivables have been included in administration expenses in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering cash. Management regularly reviews the outstanding receivables and does not consider that any further impairment is required. The other asset classes within trade and other receivables do not contain impaired assets.

15. Trade and other payables

	2019 £'000	2018 £'000
Trade payables	179	227
Other taxes and social security costs	100	99
Other payables	-	73
Amounts owed to group undertakings	322	983
Amounts owed from group undertakings	-	(151)
Accruals and deferred income	100	190
	701	1,421

16. Share capital

	2019 £'000	2018 £'000
Allotted, called up and fully paid		
1,100 (2018: 1,100) ordinary shares of £1 each	1	1

Movement in shares in issue

	31 March 2019	31 March 2018
Ordinary shares of 10p each	1,100	1,100
Issued under share option schemes	-	-
	1,100	1,100

17. Related party transactions

The company has taken advantage of the provisions of FRS 101 paragraph 8(k) which exempts qualifying entities from disclosing related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by a member of that group.

18. Reserves

Retained earnings

Represents accumulated profit/(loss) since the date of incorporation less distributions to shareholders and transfers to other reserves.

Revaluation reserves

Comprises the cumulative revaluation gains on plant and machinery.

19. Capital commitments

At 31 March 2018 there were capital commitments of £Nil (2018: £Nil).

20. Operating lease commitments

At 31 March 2019 the lease commitments were as follows:

	Land and buildings		Other	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Within one year	92	106	3	3
Between two and five years	95	188	1	5

The company had total operating lease expenditure in the period of £96,174

21. Controlling party

The ultimate parent company and controlling party is AdEPT Technology Group plc by virtue of its 100% shareholding, a company registered in England and Wales.

The smallest group in which the results of the company are consolidated is that headed by AdEPT Technology Group plc. The consolidated accounts of this company are available from 77 Mount Ephraim, Tunbridge Wells, Kent TN4 8BS.

Company information

Directors

Ian Fishwick
John Swaite

Secretary

Dentons Secretaries Limited

Company number

04640762

Registered office

One Fleet Place
London EC4M 7WS

Auditor

Crowe U.K. LLP

Chartered accountants and registered auditor
Riverside House
40-46 High Street
Maidstone
Kent
ME14 1JH