

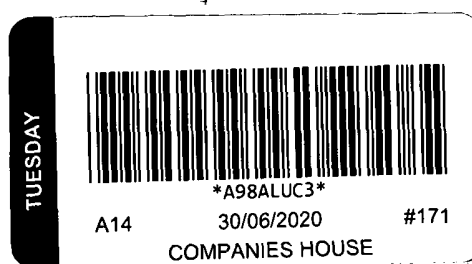
10 days

E T Enterprises Limited

Registered number: 06081468

Directors' report and financial statements

For the year ended 31 December 2019



E T ENTERPRISES LIMITED

COMPANY INFORMATION

Directors	L Ludlum A Cormack
Company secretary	G Chambers
Registered number	06081468
Registered office	45 Riverside Way Cowley Uxbridge Middlesex UB8 2YF
Independent auditors	Mazars LLP Chartered Accountants & Statutory Auditor One St. Peter's Square Manchester M2 3DE

E T ENTERPRISES LIMITED

CONTENTS

	Page
Strategic Report	1
Directors' Report	2 - 3
Independent Auditors' Report	4 - 6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes In Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11 - 26

ET ENTERPRISES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The principal activities of ET Enterprises Limited (ETEL) are the design, development, manufacture, sales, and marketing of photomultipliers and related electronics, housings, and sockets.

ETEL markets under the 'Electron Tubes' trade name and provides quality products designed to meet customers' unique specifications. ETEL also markets photomultipliers outside the USA, manufactured by its parent company under the 'ADIT' trade name. ETEL's sales in the USA are made to the parent company trading as ADIT/Electron Tubes, they market the Electron Tubes products in the USA.

ETEL also manufactures, markets, and sells glass and crystal tableware under the trading names Plowden and Thompson and Tudor Crystal respectively. Plowden and Thompson melts a range of clear and coloured glasses and sells bespoke pressed and blown glassware and tubing. The Plowden and Thompson low background glasses are used in the manufacture of ETEL's photomultipliers.

ETEL Sales in 2019 were £7.0m, down by 9.3% from 2018. Europe remains the major market for ETEL's sales.

The operating profit before interest and tax was £373k in 2019.

Business risks and uncertainties have been reviewed. With the majority of sales in euros the exchange rates with respect to Sterling provides a degree of uncertainty each financial year. In 2019 the Sterling has remained historically weak against the Euro as the UK continues negotiations to leave the European Union. The Euro to Sterling exchange rate is likely to remain uncertain throughout 2020 while UK and EU trade is covered by the withdrawal agreement. The business has remained open and trading throughout the COVID-19 epidemic and will continue to do so unless directed by legislation. The ability to mirror production of the Electron Tubes product range at the parent company's site in the USA offers continuity of supply in the event of unplanned disruption in the UK. Manufacturing both in the USA and the UK is seen to give added strength to the combined activities of ETEL and its parent company. In 2020 the parent company will continue sales of Electron Tubes photomultipliers manufactured and tested in the USA.

This report was approved by the board on 23 June 2020 and signed on its behalf.



A Cormack
Director

E T ENTERPRISES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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.

Results and dividends

The profit for the year, after taxation, amounted to £217,324 (2018 - £702,068).

The directors do not recommend the payment of a dividend.

Directors

The directors who served during the year were:

L Ludlum
A Cormack

Future developments

ET Enterprises Limited profit was £158k in 2019 and the forecast performance for 2020 was expected to be in line with 2019 performance, however with the outbreak of COVID-19 this may impact the final result. Our development expenditure in 2019 remains appropriate to our business at 6% of sales. Major developments are focussed on targeted opportunities in the marketplace along with increased automation in production.

E T ENTERPRISES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

The impact of Covid-19 on the Company since its emergence as a global pandemic is a non-adjusting event. Details of the directors response to this is set out in page 1.

Auditors

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *23 June 2020* and signed on its behalf.

Andrew J Cormack

A Cormack
Director

E T ENTERPRISES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF E T ENTERPRISES LIMITED

Opinion

We have audited the financial statements of E T Enterprises Limited (the 'Company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows 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 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit 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.

Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the company financial statements, which is not modified, we draw your attention to the directors' view on the impact of COVID-19 as disclosed on page 1 and the consideration of the going concern basis of preparation on page 11 and non-adjusting post balance sheet events on page 25.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy.

E T ENTERPRISES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF E T ENTERPRISES LIMITED

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 the Strategic Report and the Directors' 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.

Opinions on other matters 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 the Strategic Report or the 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, 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.

E T ENTERPRISES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF E T ENTERPRISES LIMITED

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 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.

Use of the audit report

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.



Neil Barton (Senior statutory auditor)
for and on behalf of
Mazars LLP
Chartered Accountants and Statutory Auditor
One St. Peter's Square
Manchester
M2 3DE

Date: 29/6/20

E T ENTERPRISES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover	3	7,046,240	7,770,603
Cost of sales		(4,869,851)	(5,311,912)
Gross profit		2,176,389	2,458,691
Distribution costs		(421,412)	(433,610)
Administrative expenses		(1,381,795)	(1,201,296)
Operating profit	4	373,182	823,785
Interest receivable and similar income	8	68	1,465
Interest payable	9	(111,594)	(113,201)
Profit before tax		261,656	712,049
Tax on profit	10	(44,332)	(9,981)
Profit for the financial year		217,324	702,068

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 11 to 26 form part of these financial statements.

E T ENTERPRISES LIMITED
REGISTERED NUMBER: 06081468

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	11	2,939,344	2,992,851
		<u>2,939,344</u>	<u>2,992,851</u>
Current assets			
Stocks	12	2,983,835	2,651,466
Debtors: amounts falling due within one year	13	630,049	751,395
Cash at bank and in hand	14	1,256,347	1,271,551
		<u>4,870,231</u>	<u>4,674,412</u>
Creditors: amounts falling due within one year	15	(756,974)	(791,272)
Net current assets		<u>4,113,257</u>	<u>3,883,140</u>
Total assets less current liabilities		<u>7,052,601</u>	<u>6,875,991</u>
Creditors: amounts falling due after more than one year	16	(2,449,514)	(2,490,228)
Provisions for liabilities			
Deferred tax	19	(43,344)	(43,344)
		<u>(43,344)</u>	<u>(43,344)</u>
Net assets		<u><u>4,559,743</u></u>	<u><u>4,342,419</u></u>
Capital and reserves			
Called up share capital	20	10,000	10,000
Profit and loss account		<u>4,549,743</u>	<u>4,332,419</u>
		<u><u>4,559,743</u></u>	<u><u>4,342,419</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

23 June 2020

Andrew J Cormack

A Cormack
 Director

E T ENTERPRISES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2019	10,000	4,332,419	4,342,419
Comprehensive income for the year			
Profit for the year	-	217,324	217,324
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	217,324	217,324
Total transactions with owners	-	-	-
At 31 December 2019	10,000	4,549,743	4,559,743

The notes on pages 11 to 26 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2018	10,000	3,630,351	3,640,351
Comprehensive income for the year			
Profit for the year	-	702,068	702,068
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	702,068	702,068
Total transactions with owners	-	-	-
At 31 December 2018	10,000	4,332,419	4,342,419

The notes on pages 11 to 26 form part of these financial statements.

E T ENTERPRISES LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	217,324	702,068
Adjustments for:		
Depreciation of tangible assets	122,785	114,464
Interest paid	111,594	113,201
Interest received	(68)	(1,465)
Taxation charge	44,332	9,981
(Increase) in stocks	(332,368)	(360,415)
Decrease/(increase) in debtors	205,405	(42,950)
(Decrease)/increase in creditors	(65,376)	49,607
(Decrease)/increase in amounts owed to groups	(36,047)	17,442
Net cash generated from operating activities	<u>267,581</u>	<u>601,933</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(69,277)	(101,272)
Interest received	68	1,465
Net cash from investing activities	<u>(69,209)</u>	<u>(99,807)</u>
Cash flows from financing activities		
Repayment of loans	(98,679)	(94,595)
Repayment of finance leases	(3,303)	(4,404)
Interest paid	(111,594)	(113,201)
Net cash used in financing activities	<u>(213,576)</u>	<u>(212,200)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(15,204)</u>	<u>289,926</u>
Cash and cash equivalents at beginning of year	1,271,551	981,625
Cash and cash equivalents at the end of year	<u>1,256,347</u>	<u>1,271,551</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,256,347	1,271,551
	<u>1,256,347</u>	<u>1,271,551</u>

The notes on pages 11 to 26 form part of these financial statements.

E T ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. Accounting policies

1.1 Basis of preparation of financial statements

E T Enterprises Limited is a private company limited by shares, incorporated in England and Wales and domiciled in England. The company's registered address can be found on the Company Information page.

The financial statements are presented in Sterling, which is considered to be the functional currency of the company, and are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Going concern

The financial statements have been prepared on a going concern basis.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and that there are no material uncertainties that lead to significant doubt regarding the Company's ability to continue as a going concern. Thus, the directors have continued to adopt the going concern basis of accounting in preparing these financial statements.

E T ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. Accounting policies (continued)

1.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

E T ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. Accounting policies (continued)**1.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.5 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

1.6 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.7 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

E T ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. Accounting policies (continued)**1.8 Pensions****Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

1.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

1.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

E T ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1.10 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2.5% on cost
Plant & machinery	- 10-20% on cost
Motor vehicles	- 33.33% on cost
Fixtures & fittings	- 10-20% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

1.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is 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.

1.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

1.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

E T ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. Accounting policies (continued)**1.15 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

1.16 Financial Instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

E T ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1.16 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements in conformity with generally accepted accounting principles requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Directors believe that the critical accounting policies where judgements or estimations are necessarily applied are summarised below:

Depreciation and residual values

The directors have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of fixtures and fittings, and have concluded that asset lives and residual values are appropriate.

Stock provisioning

The Company measures inventories at the lower of cost and estimated selling price. Management is aware of the requirement to provide for obsolete and slow moving stock and utilise aged stock reports and budgeted future sales to identify any obsolete and slow moving stock that should be provided against.

3. Turnover

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	1,893,945	2,034,281
Export other than USA	3,841,971	4,621,347
USA	1,310,324	1,114,975
	<u>7,046,240</u>	<u>7,770,603</u>

E T ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. Operating profit

The operating profit is stated after charging/(crediting):

	2019 £	2018 £
Research & development charged as an expense	480,759	391,329
Exchange differences	(47,310)	(144,687)
Other operating lease rentals	6,893	6,598
Depreciation	122,785	114,465
Audit fees	15,275	14,600
Fees payable to the Company's Auditors for assurance services	5,750	5,400
Fees payable to the Company's Auditors for other services	4,910	4,500
Pension costs	167,042	148,702
	<u> </u>	<u> </u>

5. Employees

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

	2019 £	2018 £
Wages and salaries	2,897,824	2,829,188
Social security costs	247,122	246,645
Cost of defined contribution scheme	167,042	148,702
	<u> </u>	<u> </u>
	3,311,988	3,224,535
	<u> </u>	<u> </u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Administration	9	9
Production	72	73
Marketing and Selling	9	9
	<u> </u>	<u> </u>
	90	91
	<u> </u>	<u> </u>

E T ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

6. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	122,217	114,502
Directors pension costs	23,199	21,691
	<u>145,416</u>	<u>136,193</u>

During the year retirement benefits were accruing to 1 director (2018 - 1) in respect of defined contribution pension schemes.

7. Key management personnel

	2019 £	2018 £
Wages & Salaries	284,402	271,881
Social security costs	35,694	34,057
Cost of defined contribution scheme	32,625	30,150
	<u>352,721</u>	<u>336,088</u>

The persons included are in administration and sales.

8. Interest receivable

	2019 £	2018 £
Other interest receivable	68	1,465
	<u>68</u>	<u>1,465</u>

9. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	49,368	53,233
Loans from group undertakings	62,226	59,968
	<u>111,594</u>	<u>113,201</u>

E T ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	12,638	-
Adjustments in respect of previous periods	31,694	-
Total current tax	<u>44,332</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	-	9,981
Total deferred tax	<u>-</u>	<u>9,981</u>
Taxation on profit on ordinary activities	<u>44,332</u>	<u>9,981</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>261,656</u>	<u>712,049</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	49,715	135,290
Effect of:		
Expenses not deductible for tax purposes	12,075	11,879
Capital allowances for year in excess of depreciation	12,273	12,150
Adjustments to tax charge in respect of prior periods	31,694	(49,133)
Adjustment due to rate change (closing)	(5,589)	(12,235)
Use of brought forward losses	-	(43,086)
Deferred tax not recognised	(55,836)	(44,884)
Total tax charge for the year	<u>44,332</u>	<u>9,981</u>

E T ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Tangible fixed assets

	Land £	Buildings £	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Total £
Cost						
At 1 January 2019	800,000	2,306,854	1,684,738	647,056	20,150	5,458,798
Additions	-	7,065	37,674	24,539	-	69,278
At 31 December 2019	800,000	2,313,919	1,722,412	671,595	20,150	5,528,076
Depreciation						
At 1 January 2019	-	422,688	1,434,246	588,863	20,150	2,465,947
Charge for the year on owned assets	-	64,594	43,271	14,920	-	122,785
At 31 December 2019	-	487,282	1,477,517	603,783	20,150	2,588,732
Net book value						
At 31 December 2019	800,000	1,826,637	244,895	67,812	-	2,939,344
At 31 December 2018	800,000	1,884,166	250,492	58,193	-	2,992,851

E T ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019 £	2018 £
Land and buildings	13,939	23,378
	<u>13,939</u>	<u>23,378</u>

12. Stocks

	2019 £	2018 £
Raw materials and consumables	782,684	637,288
Work in progress (goods to be sold)	910,880	1,008,146
Finished goods and goods for resale	1,290,271	1,006,032
	<u>2,983,835</u>	<u>2,651,466</u>

13. Debtors

	2019 £	2018 £
Trade debtors	344,205	594,384
Amounts owed by group undertakings	83,100	-
Other debtors	106,187	71,111
Prepayments and accrued income	96,557	85,900
	<u>630,049</u>	<u>751,395</u>

14. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	1,256,347	1,271,551
	<u>1,256,347</u>	<u>1,271,551</u>

E T ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank loans	102,940	98,679
Trade creditors	314,188	314,802
Amounts owed to group undertakings	-	15,173
Corporation tax	44,332	-
Other taxation and social security	73,493	73,532
Obligations under finance lease and hire purchase contracts	-	3,303
Accruals and deferred income	222,021	285,783
	<u>756,974</u>	<u>791,272</u>

16. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Bank loans	718,006	820,946
Amounts owed to group undertakings	1,731,508	1,669,282
	<u>2,449,514</u>	<u>2,490,228</u>

E T ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

17. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year		
Bank loans	102,940	98,679
	<u>102,940</u>	<u>98,679</u>
Amounts falling due 1-2 years		
Bank loans	718,006	102,940
	<u>718,006</u>	<u>102,940</u>
Amounts falling due 2-5 years		
Bank loans	-	718,006
	<u>-</u>	<u>718,006</u>
	<u>820,946</u>	<u>919,625</u>

E T ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

18. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	1,706,739	1,937,046
	<u>1,706,739</u>	<u>1,937,046</u>
Financial liabilities		
Financial liabilities measured fair value through profit or loss	(1,357,155)	(1,520,210)
	<u>(1,357,155)</u>	<u>(1,520,210)</u>

Financial assets measured at fair value through profit or loss comprise of trade debtors, other debtors and cash at bank and in hand.

Financial liabilities measured at fair value through profit or loss comprise trade creditors, accruals and bank loans.

19. Deferred taxation

	2019 £
At beginning of year	(43,344)
Charged to the profit or loss	-
At end of year	<u>(43,344)</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(68,646)	(68,646)
Tax losses carried forward	23,696	23,696
Short term timing differences	1,606	1,606
	<u>(43,344)</u>	<u>(43,344)</u>

E T ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

20. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
10,000 (2018 - 10,000) Ordinary shares shares of £1.00 each	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

21. Pension commitments

The company operates a defined contribution pension scheme for all employees within the Company.

The assets of the scheme are held separately from those of the company in an independently administered fund.

Contributions payable by the Company during the year amounted to £167,042 (2018: £148,702) and have been recognised in the profit and loss account. As at the balance sheet date, contributions amounting to £19,408 (2018: £16,899) had not been paid over to the fund and are included within creditors.

22. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Within 1 year	3,920	6,599
2 - 5 years	1,895	6,109
	<u>5,815</u>	<u>12,708</u>

23. Related party transactions

Advantage has been taken of the exemption contained in Financial Reporting Standard 102 (section 33.1A) from the requirement to disclose transactions with with the parent company on the grounds that E T Enterprises Limited is a wholly owned subsidiary.

24. Post balance sheet events

The impact of Covid-19 on the Company since its emergence as a global pandemic is a non-adjusting event. Details of the directors response to this is set out in page 1.

25. Controlling party

At 31 December 2019 the company's ultimate and immediate parent company was Ludlum Measurements Inc, a company incorporated in the United States of America.