

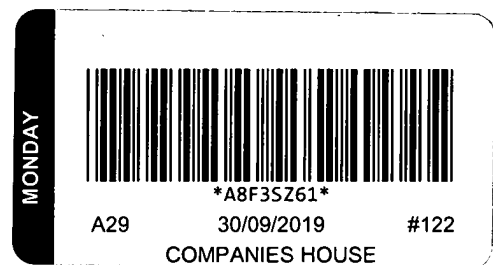
LOOWATT LTD

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2018



STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	4	1,480	-
Tangible assets	5	92,719	3,182
Investments	6	109	109
		<u>94,308</u>	<u>3,291</u>
Current assets			
Stocks		50,438	-
Debtors: amounts falling due within one year	7	453,301	204,024
Cash at bank and in hand	8	238,503	195,741
		<u>742,242</u>	<u>399,765</u>
Creditors: amounts falling due within one year	9	(139,959)	(111,550)
Net current assets		<u>602,283</u>	<u>288,215</u>
Total assets less current liabilities		<u>696,591</u>	<u>291,506</u>
Creditors: amounts falling due after more than one year	10	(56,367)	-
Provisions for liabilities			
Deferred tax		(541)	(541)
		<u>(541)</u>	<u>(541)</u>
Net assets		<u><u>639,683</u></u>	<u><u>290,965</u></u>
Capital and reserves			
Called up share capital	12	262	227
Share premium account	13	2,567,452	1,877,692
Other reserves	13	99,963	-
Profit and loss account	13	(2,027,994)	(1,586,954)
		<u><u>639,683</u></u>	<u><u>290,965</u></u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject

LOOWATT LTD
REGISTERED NUMBER: 07082726

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2018

to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 September 2019.



V Summerfield Gardiner
Director

The notes on pages 3 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. General information

Loowatt Limited is a private limited company, incorporated in England and Wales, registered number 07082726.

The companies registered and trading address is Unit 20, Newington Industrial Estate, 87 Crampton Street, Elephant and Castle, London, United Kingdom, SE17 3AZ.

The principal activity of the company is the sale of sanitation solutions.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 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'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.3 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.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of comprehensive income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.6 Interest income

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

2.7 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.8 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.9 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.

2.10 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Patents	-	5	years straight line
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2.12 Development costs

Development costs relate to research and development and are written off to the Profit and Loss Account when incurred.

2.13 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.

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:

Plant and machinery	-	33%	Straight line
Office equipment	-	33%	Straight line
Computer equipment	-	33%	Straight line

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.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.15 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 weighted average 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.

2.16 Debtors

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

2.17 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.

2.18 Creditors

Short term creditors are measured at the transaction price.

2.19 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.

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

2.20 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 non-puttable ordinary shares.

3. Employees

The average monthly number of employees, including directors, during the year was 15 (2017 - 12).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

4. Intangible assets

	Patents £
Cost	
Additions	1,850
At 31 December 2018	<u>1,850</u>
Amortisation	
Charge for the year	370
At 31 December 2018	<u>370</u>
Net book value	
At 31 December 2018	<u><u>1,480</u></u>
At 31 December 2017	<u><u>-</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

5. Tangible fixed assets

	Plant and machinery £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2018	983	1,482	10,543	13,008
Additions	109,689	1,622	9,090	120,401
Disposals	-	-	(500)	(500)
At 31 December 2018	110,672	3,104	19,133	132,909
Depreciation				
At 1 January 2018	983	1,482	7,361	9,826
Charge for the year on owned assets	27,258	70	3,036	30,364
At 31 December 2018	28,241	1,552	10,397	40,190
Net book value				
At 31 December 2018	82,431	1,552	8,736	92,719
At 31 December 2017	-	-	3,182	3,182

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2018	109
At 31 December 2018	109

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. Fixed asset investments (continued)**Subsidiary undertaking**

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Loowatt SARL	Lot IVP 64 TER Antsalovana, Antananarivo 101, Madagascar	Ordinary Shares	100 -%

The aggregate of the share capital and reserves as at 31 December 2018 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves	Profit/(Loss)
Loowatt SARL	(304,796)	(83,182)

7. Debtors

	2018 £	2017 £
Trade debtors	17,961	32,446
Amounts owed by group undertakings	217,257	86,413
Other debtors	46,161	12,562
Prepayments and accrued income	27,319	-
Corporation tax recoverable	144,603	72,603
	<u>453,301</u>	<u>204,024</u>

8. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<u>238,503</u>	<u>195,741</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

9. Creditors: Amounts falling due within one year

	2018 £	2017 £
Other loans	49,962	25,025
Trade creditors	80,253	44,473
Corporation tax	-	617
Other taxation and social security	-	10,981
Other creditors	5,994	6,604
Accruals and deferred income	3,750	23,850
	<u>139,959</u>	<u>111,550</u>

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

	2018 £	2017 £
Other loans	<u>56,367</u>	<u>-</u>

Loans are secured against a floating charge over the assets of the company.

11. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year		
Other loans	49,962	25,025
Amounts falling due 1-2 years		
Other loans	8,967	-
Amounts falling due 2-5 years		
Other loans	47,400	-
	<u>106,329</u>	<u>25,025</u>

LOOWATT LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
131,145 (2017 - 113,673) Ordinary shares shares of £0.002 each	262	227

During the year 17,472 Ordinary shares were issued for a total consideration of £689,760.

13. Reserves**Other reserves**

At the balance sheet date the Company had received £99,963 in relation to 2,532 Ordinary shares that were issued post year end.

14. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund amounted to £4,659 (2017 - £1,292). Contributions totalling £NIL (2017 - £NIL) were payable to the fund at the reporting date and are included in creditors.

15. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	30,000	33,502
Later than 1 year and not later than 5 years	117,500	-
	<u>147,500</u>	<u>33,502</u>

16. Related party transactions

Included within other creditors is an amount of £5,234 (2017: £5,234) due to the director of the company.