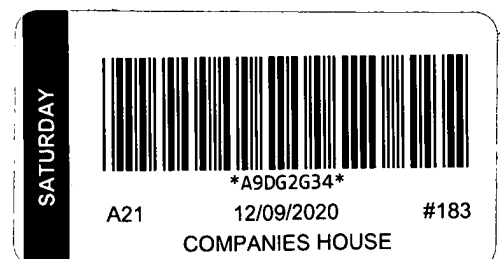


Registered number: 08172439

**POWER ELECTRONICS CORP UK LTD
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**



Power Electronics Corp UK Ltd
Directors' Report and Financial Statements
For The Year Ended 31 December 2019

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Power Electronics Corp UK Ltd
Company Information
For The Year Ended 31 December 2019

Directors	Amadeo Salvo Lillo Abelardo Salvo Lillo David Salvo Lillo
Company Number	08172439
Registered Office	Wells House 80 Upper Street Islington London N1 0NU
Auditors	Stephen Michael Associates Chartered Certified Accountants & statutory auditors 1st Floor 3 More London Riverside London SE1 2RE
Bankers	Santander Bank Bootle Merseyside L30 4GB
Solicitors	Addleshaw Goddard 3 Sovereign Square Sovereign Street Leeds LS1 4ER

Power Electronics Corp UK Ltd
Company No. 08172439
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.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the financial statements the directors are required to:

- select suitable accounting policies 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 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.

Statement of Disclosure of Information to Auditors

The directors of the company who held office at the date of approval of this annual report confirm that:

- so far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Principal Activity

The company's principal activity continues to be that of wholesale of electronic and telecommunications equipment and parts and maintenance income.

Review of Business

The accounts are approved during a period where there is much uncertainty as a result of the emergence and international spread of a coronavirus (COVID-19). The Company's response has been to continue its business, whilst being quick to react to the ever changing national advice. The ultimate impact of COVID-19 on the UK, the world and the economy is yet to be seen. However, through appropriate consideration of risks as part of its normal risk management processes and mitigating actions both already taken and available to be taken, the directors consider it appropriate for the going concern basis to be adopted for these accounts.

Small Company Rules

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

This report was approved by the board of directors on June 30, 2020 and signed on behalf of the board by:

David Salvo Lillo
Director

Registered office:
Wells House
80 Upper Street
Islington
London
N1 0NU

On behalf of the board

David Salvo Lillo
Director
Date

**Power Electronics Corp UK Ltd
Independent Auditor's Report
For The Year Ended 31 December 2019**

Opinion

We have audited the financial statements of Power Electronics Corp UK Ltd (the 'Company') for the year ended 31 December 2019, which comprise the Statement of comprehensive income, the Statement of financial position and the related notes, 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 102 - Section 1A for Small Entities '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/(loss) for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Practice applicable to smaller entities; 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Auditors' 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 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.

Power Electronics Corp UK Ltd
Independent Auditor's Report (continued)
For The Year Ended 31 December 2019

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 the directors' report.

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

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

Responsibilities of Directors

As explained more fully in the 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use Of Our Report

This report is made solely to the company's members, as a body, in accordance with the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters that 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.



Stephen Oladapo Odeleye (Senior Statutory Auditor)

for and on behalf of
Stephen Michael Associates ,

Chartered Certified Accountants
Statutory Auditors

1st Floor
3 More London Riverside
London, SE1 2RE
Date:

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04 September 2020

Power Electronics Corp UK Ltd
Profit and Loss Account
For The Year Ended 31 December 2019

	Notes	2019 £	2018 £
TURNOVER	2	1,476,951	1,372,736
Cost of sales		(44,962)	(193,359)
GROSS PROFIT		1,431,989	1,179,377
Administrative expenses		(1,359,144)	(1,182,590)
Other operating income		43,841	-
OPERATING PROFIT/(LOSS)	3	116,686	(3,213)
Other interest receivable and similar income		107	284
Interest payable and similar charges	6	-	(105)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		116,793	(3,034)

The notes on pages 8 to 11 form part of these financial statements.

Power Electronics Corp UK Ltd
Balance Sheet
As at 31 December 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Tangible Assets	8	8,793	13,349
		8,793	13,349
CURRENT ASSETS			
Stocks	9	371,692	-
Debtors	10	2,383,279	2,507,331
Cash at bank and in hand		698,944	182,063
		3,453,915	2,689,394
Creditors: Amounts Falling Due Within One Year	11	(2,296,358)	(1,653,186)
NET CURRENT ASSETS (LIABILITIES)		1,157,557	1,036,208
TOTAL ASSETS LESS CURRENT LIABILITIES		1,166,350	1,049,557
NET ASSETS		1,166,350	1,049,557
CAPITAL AND RESERVES			
Called up share capital	12	1	1
Profit and Loss Account		1,166,349	1,049,556
SHAREHOLDERS' FUNDS		1,166,350	1,049,557

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities. These financial statements were approved by the board of directors and authorised for issue on June 30, 2020 and are signed on behalf of the board by:


David Salvo Lillo
Director

The notes on pages 8 to 11 form part of these financial statements.
Company Registration Number: 08172439

Power Electronics Corp UK Ltd
Statement of Changes in Equity
For The Year Ended 31 December 2019

	Share Capital	Profit and Loss Account	Total
	£	£	£
As at 1 January 2018	1	1,052,590	1,052,591
Loss for the year and total comprehensive income	-	(3,034)	(3,034)
As at 31 December 2018 and 1 January 2019	1	1,049,556	1,049,557
Profit for the year and total comprehensive income	-	116,793	116,793
As at 31 December 2019	1	1,166,349	1,166,350

Power Electronics Corp UK Ltd
Notes to the Financial Statements
For The Year Ended 31 December 2019

1. Accounting Policies

1.1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the FRS 102 Section 1A Small Entities - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

1.2. Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

Rendering of services

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

1.3. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & Machinery	25% Straight Line
Fixtures & Fittings	20% Straight Line
Office Equipment	25% Straight Line

1.4. Leasing and Hire Purchase Contracts

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives. Assets acquired under hire purchase contracts are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in the creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

1.5. Stocks and Work in Progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. Work-in-progress is reflected in the accounts on a contract by contract basis by recording turnover and related costs as contract activity progresses.

1.6. Foreign Currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

1.7. Pensions

The company operates a defined pension contribution scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Power Electronics Corp UK Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2019

2. Turnover by Principal Activities

Analysis of turnover by principal activities is as follows:

	2019	2018
	£	£
Sale of Goods and Services	1,476,951	1,372,736

3. Operating Profit

The operating profit is stated after charging:

	2019	2018
	£	£
Bad debts	24,844	4,226
Audit fees	12,000	11,000
Depreciation of tangible fixed assets	4,556	3,589

4. Staff Costs

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

	2019	2018
	£	£
Wages and salaries	550,019	520,298
Social security costs	50,510	46,791
Other pension costs	10,522	6,378
	611,051	573,467

5. Average Number of Employees

Average number of employees, including directors, during the year was as follows: 19

6. Interest Payable

	2019	2018
	£	£
Other finance charges	-	105
	-	105

Power Electronics Corp UK Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2019

7. Tax on Profit

	2019	2018
	£	£
UK Corporation Tax	-	-
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
	2019	2018
	£	£
Profit before tax	116,793	(3,034)
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
Breakdown of Tax Charge is:		
Tax on profit at 0% (UK standard rate)	-	-
	<u> </u>	<u> </u>
Total tax charge for the period	-	-
	<u> </u>	<u> </u>

8. Tangible Assets

	Plant & Machinery	Fixtures & Fittings	Office Equipment	Total
	£	£	£	£
Cost				
As at 1 January 2019	12,148	3,020	3,658	18,826
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
As at 31 December 2019	12,148	3,020	3,658	18,826
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation				
As at 1 January 2019	3,786	454	1,237	5,477
Provided during the period	3,037	604	915	4,556
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
As at 31 December 2019	6,823	1,058	2,152	10,033
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Book Value				
As at 31 December 2019	5,325	1,962	1,506	8,793
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
As at 1 January 2019	8,362	2,566	2,421	13,349
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

9. Stocks

	2019	2018
	£	£
Stock - finished goods	371,692	-
	<u> </u>	<u> </u>
	<u>371,692</u>	<u>-</u>

Power Electronics Corp UK Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2019

10. Debtors

	2019	2018
	£	£
Due within one year		
Trade debtors	2,244,036	2,352,453
Prepayments and accrued income	49,431	30,305
Advance to employees	7,700	9,152
Deposits	29,858	29,858
Deferred Expense	57,042	85,563
Provision for Doubtful debts	19,844	-
Impairment for doubtful debts	(19,844)	-
Credit Note Provision	(4,788)	-
	<u>2,383,279</u>	<u>2,507,331</u>

11. Creditors: Amounts Falling Due Within One Year

	2019	2018
	£	£
Trade creditors	1,910,798	1,251,982
Other taxes and social security	2,467	14,804
VAT Liability	4,624	70,872
Power Electronics Internacional	244,114	-
Power Electronics Espana	100,000	100,000
Accruals and deferred income	34,355	215,528
	<u>2,296,358</u>	<u>1,653,186</u>

12. Share Capital

	2019	2018
Allotted, Called up and fully paid	<u>1</u>	<u>1</u>

13. Related Party Transactions

The ultimate parent company is Power Electronics International SL, a company incorporated in Spain. The parent company prepares consolidated accounts. The company made sales amounting to £4,961 during the year. The total amount outstanding as at 31st December 2019 is £4,961 and same is included in Trade debtor note no. 10 above.

During the year, the company made purchases amounting to £591,969 (2018: £96,227) from one of the group companies, Power Electronics Espana SL, a company incorporated in Spain and 100% owned by Power Electronic International SL. The total amount outstanding as at 31st December 2019 is £1,741,017 (2018 : £1,119,047) and is included in trade creditors note no. 11 above. Also, the company made sales amounting to £181,974 (2018 : £500,057) to one of the group companies, Power Electronics Espana SL and the outstanding balance of £2,102,767 (2018 : £2,062,915) is included within Trade Debtor note no. 10 above.

There is accrual of expense for £16,802 (2018 : 69,845), invoices to be received after year end from Power Electronics Espana SL. There is accrual of income for £27,903 during the year 2019 related to Power Electronics Espana SL.

As at 31.12.19, The company owes £244,114 to Power Electronics Internacional SL and £100,000 to Power Electronics Espana SL and is included in note no. 11 above.

14. Ultimate Controlling Party

The company's ultimate controlling party is Power Electronics Internacional SL by virtue of his ownership of 75% or more of the issued share capital in the company.

15. General Information

Power Electronics Corp UK Ltd is a private company, limited by shares, incorporated in England & Wales, registered number 08172439. The registered office is Wells House , 80 Upper Street, Islington, London, N1 ONU.

Power Electronics Corp UK Ltd
Trading Profit and Loss Account
For The Year Ended 31 December 2019

	2019		2018	
	£	£	£	£
TURNOVER				
Sales		1,449,048		1,372,736
Other interest receivable		27,903		-
		<u>1,476,951</u>		<u>1,372,736</u>
COST OF SALES				
Purchases	381,123		190,733	
Wastage	4,033		2,593	
Transportation	1,823		-	
Packaging costs	26		33	
Other direct costs	29,649		-	
Closing stock - finished goods	(371,692)		-	
		<u>(44,962)</u>		<u>(193,359)</u>
GROSS PROFIT		1,431,989		1,179,377
Administrative Expenses				
Wages and salaries	550,019		520,298	
Employers NI	50,510		46,791	
Employees Pensions	10,522		6,378	
Staff training	283		1,330	
Travel expenses	292,204		246,412	
Rent	152,568		144,999	
Rent and Rates	34,324		24,705	
Light and heat	5,622		5,797	
Repairs and maintenance	1,419		9,962	
Cleaning	8,442		10,037	
Hire Charges	1,007		998	
Miscellaneous Motor Expenses	1,080		-	
Computer software, consumables and maintenance	57		105	
Insurance	16,221		56,679	
Printing, postage and stationery	5,069		5,042	
General Expenses	95,693		25,754	
Bad debt provisions	19,844		-	
Telecommunications	18,175		14,022	
Audit fees	12,000		11,000	
Accountancy fees	12,550		11,790	
Professional fees	21,476		8,380	
Bank charges	1,297		1,051	
Bad debts written off	24,844		4,226	

...CONTINUED

Power Electronics Corp UK Ltd
Trading Profit and Loss Account (continued)
For The Year Ended 31 December 2019

Other office costs	12,436	24,573
Depreciation of plant and machinery	1,337	669
Depreciation of fixtures and fittings	604	354
Depreciation of computer equipment	915	866
Depreciation of Repairs & Renovations (Depreciation)	1,700	1,700
Sundry expenses	(3)	-
Foreign exchange gains/losses	6,929	(1,328)
	<u>(1,359,144)</u>	<u>(1,182,590)</u>
Other Operating Income		
Exceptional income	43,841	-
	<u>43,841</u>	<u>-</u>
OPERATING PROFIT/(LOSS)	<u>116,686</u>	<u>(3,213)</u>
Other interest receivable and similar income		
Bank interest receivable	107	284
	<u>107</u>	<u>284</u>
Interest payable and similar expenses		
Credit card charges	-	105
	<u>-</u>	<u>(105)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	<u>116,793</u>	<u>(3,034)</u>