

Impact Test Equipment Limited

Directors' Report and Financial Statements

Year Ended

30 September 2019

Company Number SC201157

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Impact Test Equipment Limited

Company Information

Directors	David N Ferguson Philip Rowe Susan Ferguson
Company secretary	David N Ferguson
Registered number	SC201157
Registered office	4 Atlantic Quay 70 York Street Glasgow G2 8JX
Independent auditor	BDO LLP 4 Atlantic Quay 70 York Street Glasgow G2 8JX
Bankers	Royal Bank of Scotland plc 30 Sandgate Ayr KA7 1BY

Impact Test Equipment Limited

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Impact Test Equipment Limited

Directors' Report For the Year Ended 30 September 2019

The directors present their report and the financial statements for the year ended 30 September 2019.

Principal activity

The company's principal activity is the provision of technical laboratory equipment and the manufacture of industrial sieves.

Impact Test Equipment Limited

Directors' Report (continued) For the Year Ended 30 September 2019

Business review

The company has a significant customer base and with a strong order book, the company expects to maintain its turnover and profitability achieved in the current year going forward into the financial year to 31 September 2020.

Principal risks and uncertainties

At the date of signing the accounts, the UK economy is severely impacted by the effects of the spread of COVID-

19, and the measures taken by the government to prevent the continued spread of the virus. The company, in line with businesses in many industries, has been impacted by these measures however the impact to the business has thankfully not been significant. The company has considered the implications of COVID-19 through the 'lenses' of operational capability, market-based demand and structural finance.

Operations across the company have not been significantly affected albeit procedures have been put in place to promote the health of our employees and stakeholders. We have put in place appropriate sanitising and social distancing guidelines. The management team are monitoring the operational situation regularly and have contingency plans in place should an outbreak occur in a facility that would result in a short shut-down at worst. There has been no significant impact on the company's supply chain.

Marked-based demand for the company's goods experienced a lull while the construction industry was closed but demand has come back strongly. The company have continued to work through the pandemic and also ensured that their customers are supported. The company has therefore not taken advantage of government support during the pandemic.

The Company has a significant cash balance and no external debt therefore is in a good place financially going into the crisis.

The company has completed forecasts including stress testing to assess the impact of COVID-19 on the company liquidity and ability to continue as a going concern. The stress test shows the company can continue to operate for at least the next 12 months following sales reductions. Management have also considered a range of more realistic scenarios which again do not show an issue with liquidity. There is of course a credit risk associated with the debtor book but the directors have assessed that their customers are also in good financial health and the risk is diversified.

Based on the above, the directors are confident that the actions and strategies in place, results in the company being able to mitigate business threats as they arise. The directors consider that the COVID-19 unknowns do not at present represent material uncertainty to company's ability to continue as a going concern.

Going concern

The directors have assessed, based on current projections, that the company has adequate resources to meet the ongoing costs of the business for a minimum of 12 months from the date of signing the financial statements.

As detailed above, the directors have also completed a thorough assessment of the impact of Covid-19, including stress testing. The directors have assessed that the funds and the actions and strategies available to them to mitigate business threats under stress testing, the forecasts demonstrated that the company could operate within its available funding. Therefore, as there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, the directors have concluded this does not represent a material uncertainty with regards to going concern.

Thus the financial statements have been prepared on a going concern basis which presumes the realisation of assets and liabilities in the normal course of business.

On the basis of their assessment of the Company's financial position, the directors have a reasonable

Impact Test Equipment Limited

Directors' Report (continued) For the Year Ended 30 September 2019

expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors

The directors who served during the year were:

David N Ferguson
Philip Rowe
Susan Ferguson

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Auditor

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

Small companies note

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

This report was approved by the board on 30 September 2020 and signed on its behalf.


David N Ferguson
Director

Impact Test Equipment Limited

Directors' Responsibilities Statement For the Year Ended 30 September 2019

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 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 judgements 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.

Impact Test Equipment Limited

Independent Auditor's report to members of Impact Test Equipment Limited

Opinion

We have audited the financial statements of Impact Test Equipment Limited ("the company") for the year ended 30 September 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, and the 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 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 30 September 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.

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.

Impact Test Equipment Limited

Independent Auditor's report to members of Impact Test Equipment Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in 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.

Opinion 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.

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 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; 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.

Impact Test Equipment Limited

Independent Auditor's report to members of Impact Test Equipment Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 4, 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.

Use of our 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.



Mark McCluskey (senior statutory auditor)

for and on behalf of

BDO LLP

4 Atlantic Quay

70 York Street

Glasgow

G2 8JX

Date: 30 September 2020.

Impact Test Equipment Limited

Statement of Comprehensive Income For the Year Ended 30 September 2019

	Note	2019 £	2018 £
Turnover	4	6,124,892	6,734,063
Cost of sales		(3,974,471)	(4,610,884)
Gross profit		2,150,421	2,123,179
Distribution costs		(911,979)	(902,863)
Administrative expenses		(1,154,513)	(1,032,758)
Operating profit	5	83,929	187,558
Interest receivable and similar income	8	1,738	578
Interest payable and expenses	9	(2,831)	(6,175)
Profit before tax		82,836	181,961
Tax on profit	10	(18,181)	(36,372)
Profit for the financial year		64,655	145,589

The notes on pages 11 to 23 form part of these financial statements.

Impact Test Equipment Limited
Registered number: SC201157

Balance Sheet
As at 30 September 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	12	1	1
Tangible assets	13	57,719	49,718
		<u>57,720</u>	<u>49,719</u>
Current assets			
Stocks	14	875,429	849,771
Debtors: amounts falling due within one year	15	1,502,397	1,725,110
Cash at bank and in hand	16	714,787	842,934
		<u>3,092,613</u>	<u>3,417,815</u>
Creditors: amounts falling due within one year	17	(1,002,095)	(1,207,406)
Net current assets		<u>2,090,518</u>	<u>2,210,409</u>
Total assets less current liabilities		<u>2,148,238</u>	<u>2,260,128</u>
Provisions for liabilities			
Deferred tax	18	-	(545)
		<u>-</u>	<u>(545)</u>
Net assets		<u><u>2,148,238</u></u>	<u><u>2,259,583</u></u>
Capital and reserves			
Called up share capital	19	60,000	60,000
Profit and loss account	20	2,088,238	2,199,583
		<u><u>2,148,238</u></u>	<u><u>2,259,583</u></u>

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.

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



30 September 2020.

Philip Rowe
Director

The notes on pages 11 to 23 form part of these financial statements.

Impact Test Equipment Limited

Statement of Changes in Equity For the Year Ended 30 September 2019

	Called up share capital £	Profit and loss account £	Total equity £
At 1 October 2017	60,000	2,273,994	2,333,994
Comprehensive income for the year			
Profit for the year	-	145,589	145,589
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	145,589	145,589
Dividends: Equity capital	-	(220,000)	(220,000)
Total transactions with owners	-	(220,000)	(220,000)
At 1 October 2018	60,000	2,199,583	2,259,583
Comprehensive income for the year			
Profit for the year	-	64,655	64,655
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	64,655	64,655
Dividends: Equity capital	-	(176,000)	(176,000)
Total transactions with owners	-	(176,000)	(176,000)
At 30 September 2019	60,000	2,088,238	2,148,238

The notes on pages 11 to 23 form part of these financial statements.

Impact Test Equipment Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

1. General information

Impact Test Equipment Limited is a private company limited by shares and incorporated in the United Kingdom under the Companies Act. The company is registered in Scotland. The address of the registered office is given on the information page and the nature of the company's principal activities is set out in the directors' report.

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The company's functional and presentational currency is GBP. No level of rounding has been applied to these financial statements.

The following principal accounting policies have been applied:

2.2 Going concern

Going Concern

The directors have assessed, based on current projections, that the company has adequate resources to meet the ongoing costs of the business for a minimum of 12 months from the date of signing the financial statements.

As detailed in the directors' report, the directors have also completed a thorough assessment of the impact of Covid-19, including stress testing. The directors have assessed that the funds and the actions and strategies available to them to mitigate business threats under stress testing, the forecasts demonstrated that the company could operate within its available funding. Therefore, as there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, the directors have concluded this does not represent a material uncertainty with regards to going concern.

Thus the financial statements have been prepared on a going concern basis which presumes the realisation of assets and liabilities in the normal course of business.

On the basis of their assessment of the Company's financial position, the directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Impact Test Equipment Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

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 Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the statement of comprehensive income over its useful economic life.

2.5 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 following methods.

Depreciation is provided on the following basis:

Plant and machinery	- 25.00% reducing balance
Motor vehicles	- 25.00% reducing balance
Computer equipment	- 33.33% 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.

Impact Test Equipment Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

2. Accounting policies (continued)

2.6 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 balance sheet 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 the statement of comprehensive income.

2.7 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.

2.8 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.

2.9 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.

2.10 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.

Impact Test Equipment Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

2. Accounting policies (continued)

2.11 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.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.13 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.

2.14 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 balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.15 Interest income

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

Impact Test Equipment Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

2. Accounting policies (continued)

2.16 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.

2.17 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 balance sheet 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 balance sheet 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 balance sheet date.

2.18 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Impact Test Equipment Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

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

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In preparing these financial statements the directors have made the following judgments:

- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- Assess any bad debt provision required via review of trade and other debtors, with debts provided for on a specific basis. Factors considered include customer payment history and agreed payment terms, and a financial assessment of the debtor's ability to pay its debts.
- The level of stock provision on the basis of the level of wastage expected of the main product and assessment of the condition of stock at the year end.

4. Turnover

The proportion of turnover that is attributable to markets outside the United Kingdom is 31% (2018 - 36%).

5. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	17,867	19,179
Exchange differences	1,715	219
Fees payable to the company's auditor for the audit of the company's annual financial statements	7,300	7,000
Non-audit services	3,336	3,870
Defined contribution pension cost	67,107	55,334

Impact Test Equipment Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

6. Employees

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

	2019 No.	2018 No.
Direct	12	16
Distribution	11	8
Administration	19	16
	<u>42</u>	<u>40</u>

7. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	237,417	237,704
Company contributions to defined contribution pension schemes	4,954	4,969
	<u>242,371</u>	<u>242,673</u>

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

The highest paid director received remuneration of £99,080 (2018 - £99,379).

The key management of the company is represented by the directors of the company.

8. Interest receivable

	2019 £	2018 £
Bank interest receivable	<u>1,738</u>	<u>578</u>

9. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	<u>2,831</u>	<u>6,175</u>

Impact Test Equipment Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

10. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	18,868	36,895
Adjustments in respect of previous periods	-	(122)
	<u>18,868</u>	<u>36,773</u>
Total current tax	<u>18,868</u>	<u>36,773</u>
Deferred tax		
Origination and reversal of timing differences	(687)	(401)
Total deferred tax	<u>(687)</u>	<u>(401)</u>
Taxation on profit on ordinary activities	<u>18,181</u>	<u>36,372</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Impact Test Equipment Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

11. Dividends

	2019 £	2018 £
Ordinary dividends paid of £2.93 per share (2018 - £3.66)	<u>176,000</u>	<u>220,000</u>

12. Intangible assets

	Goodwill £
Cost	
At 1 October 2018	340,960
At 30 September 2019	<u>340,960</u>
Amortisation	
At 1 October 2018	340,959
At 30 September 2019	<u>340,959</u>
Net book value	
At 30 September 2019	<u>1</u>
At 30 September 2018	<u>1</u>

Impact Test Equipment Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

13. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Computer equipment £	Total £
Cost				
At 1 October 2018	99,943	77,552	85,138	262,633
Additions	7,322	27,296	3,503	38,121
Disposals	-	(37,694)	-	(37,694)
At 30 September 2019	107,265	67,154	88,641	263,060
Depreciation				
At 1 October 2018	86,480	48,481	77,954	212,915
Charge for the year on owned assets	3,677	8,835	5,355	17,867
Disposals	-	(25,441)	-	(25,441)
At 30 September 2019	90,157	31,875	83,309	205,341
Net book value				
At 30 September 2019	17,108	35,279	5,332	57,719
At 30 September 2018	13,463	29,071	7,184	49,718

Impact Test Equipment Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

14. Stocks

	2019 £	2018 £
Raw materials and consumables	65,018	66,796
Finished goods and goods for resale	810,411	782,975
	<u>875,429</u>	<u>849,771</u>

Stock recognised in cost of sales during the year as an expense was £3,540,940 (2018 - £4,027,833).

15. Debtors

	2019 £	2018 £
Trade debtors	1,253,201	1,474,575
Other debtors	166,000	169,000
Prepayments and accrued income	29,554	28,035
Tax recoverable	53,500	53,500
Deferred taxation	142	-
	<u>1,502,397</u>	<u>1,725,110</u>

16. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	714,787	842,934
	<u>714,787</u>	<u>842,934</u>

The bank hold a bond and floating charge over the assets of the company.

Impact Test Equipment Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

17. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	856,530	1,041,842
Corporation tax	18,868	36,895
Other taxation and social security	85,185	61,745
Accruals and deferred income	41,512	66,924
	<u>1,002,095</u>	<u>1,207,406</u>

18. Deferred taxation

	2019 £	2018 £
At beginning of year	545	946
Charged to profit or loss	(687)	(401)
At end of year	<u>(142)</u>	<u>545</u>

The deferred taxation balance is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	<u>(142)</u>	<u>545</u>

19. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
60,000 (2018 - 60,000) Ordinary shares of £1.00 each	<u>60,000</u>	<u>60,000</u>
All shares rank pari passu.		

20. Reserves

Profit and loss account

The profit and loss account reserve comprises of the cumulative profit and loss trading results less any dividends distributed to shareholders.

Impact Test Equipment Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

21. 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 and amounted to £67,107 (2018 - £55,334). No contributions were outstanding at the balance sheet date (2018 - £Nil).

22. Commitments under operating leases

At 30 September 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	52,000	52,000
Late than 1 year but not later than 5 years	52,000	104,000
	<u>52,000</u>	<u>104,000</u>

23. Related party transactions

Dividends amounting to £176,000 were paid in the year to directors (2018 - £220,000).

At 30 September 2019 the company was owed £81,500 by D N Ferguson (2018 - £84,500). Included within the balance is a credit of £3,000 (2018 - £Nil) relating to an unpaid dividend. This balance is included within other debtors.

At 30 September 2018 the company was owed £84,500 by P Rowe (2018 - £84,500). No amounts were repaid in the year and no interest was charged on the outstanding balance. This balance is included within other debtors.

24. Controlling party

The company is under the control of D N Ferguson and P Rowe who each hold 50% of the issued share capital.