

REGISTERED NUMBER: 10186990 (England and Wales)

UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD 1 AUGUST 2017 TO 30 JULY 2018
FOR
WATFORD CONTROL INSTRUMENTS LTD

CONTENTS OF THE FINANCIAL STATEMENTS
for the period 1 August 2017 to 30 July 2018

	Page
Company Information	1
Statement of Financial Position	2
Notes to the Financial Statements	4

WATFORD CONTROL INSTRUMENTS LTD

COMPANY INFORMATION

for the period 1 August 2017 to 30 July 2018

DIRECTORS:

L V Adams
J C Harris
S G Harris
M J Massetti
P C Massetti

SECRETARY:

P Proctor

REGISTERED OFFICE:

Broad Oak Manor
Broad Oak End
Hertford
Hertfordshire
SG14 2JA

REGISTERED NUMBER:

10186990 (England and Wales)

ACCOUNTANTS:

Thorne Lancaster Parker
Chartered Accountants
4th Floor
Venture House
27-29 Glasshouse Street
London
W1B 5DF

STATEMENT OF FINANCIAL POSITION
30 July 2018

		2018		2017	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	5		137,795		156,235
Property, plant and equipment	6		<u>58,776</u>		<u>68,807</u>
			196,571		225,042
CURRENT ASSETS					
Inventories	7	104,657		126,317	
Debtors	8	290,679		373,645	
Cash at bank and in hand		<u>161,765</u>		<u>14,897</u>	
		557,101		514,859	
CREDITORS					
Amounts falling due within one year	9	<u>591,028</u>		<u>779,584</u>	
NET CURRENT LIABILITIES			<u>(33,927)</u>		<u>(264,725)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			162,644		(39,683)
CREDITORS					
Amounts falling due after more than one year	10		<u>167,350</u>		<u>-</u>
NET LIABILITIES			<u>(4,706)</u>		<u>(39,683)</u>
CAPITAL AND RESERVES					
Called up share capital	14		100		100
Retained earnings	15		<u>(4,806)</u>		<u>(39,783)</u>
SHAREHOLDERS' FUNDS			<u>(4,706)</u>		<u>(39,683)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 30 July 2018.

The members have not required the company to obtain an audit of its financial statements for the period ended 30 July 2018 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

STATEMENT OF FINANCIAL POSITION - continued
30 July 2018

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 26 July 2019 and were signed on its behalf by:

M J Massetti - Director

NOTES TO THE FINANCIAL STATEMENTS
for the period 1 August 2017 to 30 July 2018

1. STATUTORY INFORMATION

Watford Control Instruments Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

Revenue

Revenue is recognised at the fair value of the consideration received or receivable for the provision of goods and services to external customers in the ordinary course of business. The fair value of the consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue is recognised when the goods are despatched to the customer. Any payments received and billings in advance of the despatch date are deferred until the goods or services are supplied. Any unbilled revenues for despatches are accrued at each period end.

Revenue is stated net of value added tax.

Goodwill and business acquisition

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired business at the date of the acquisition, and is included in intangible fixed assets. Costs incurred that are directly attributable to the acquisition are also included in goodwill.

Goodwill is amortised over a period of 10 years which represents the period over which the goodwill is expected to give rise to economic benefit.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Website is being amortised evenly over its estimated useful life of five years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 20% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost

Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. The cost of raw materials and work in progress includes all costs of purchase and other costs incurred in bringing them to their present location and condition.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 August 2017 to 30 July 2018

3. ACCOUNTING POLICIES - continued

Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the period was 21 (2017 - 23) .

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 August 2017 to 30 July 2018

5. INTANGIBLE FIXED ASSETS

	Goodwill £	Website £	Totals £
COST			
At 1 August 2017 and 30 July 2018	<u>170,097</u>	<u>7,151</u>	<u>177,248</u>
AMORTISATION			
At 1 August 2017	20,505	508	21,013
Amortisation for period	<u>17,010</u>	<u>1,430</u>	<u>18,440</u>
At 30 July 2018	<u>37,515</u>	<u>1,938</u>	<u>39,453</u>
NET BOOK VALUE			
At 30 July 2018	<u>132,582</u>	<u>5,213</u>	<u>137,795</u>
At 31 July 2017	<u>149,592</u>	<u>6,643</u>	<u>156,235</u>

6. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 August 2017	29,100	44,866	8,427	82,393
Additions	<u>-</u>	<u>4,063</u>	<u>-</u>	<u>4,063</u>
At 30 July 2018	<u>29,100</u>	<u>48,929</u>	<u>8,427</u>	<u>86,456</u>
DEPRECIATION				
At 1 August 2017	6,127	6,146	1,313	13,586
Charge for period	<u>5,820</u>	<u>6,168</u>	<u>2,106</u>	<u>14,094</u>
At 30 July 2018	<u>11,947</u>	<u>12,314</u>	<u>3,419</u>	<u>27,680</u>
NET BOOK VALUE				
At 30 July 2018	<u>17,153</u>	<u>36,615</u>	<u>5,008</u>	<u>58,776</u>
At 31 July 2017	<u>22,973</u>	<u>38,720</u>	<u>7,114</u>	<u>68,807</u>

7. INVENTORIES

	2018 £	2017 £
Raw materials	19,235	15,334
Work-in-progress	<u>85,422</u>	<u>110,983</u>
	<u>104,657</u>	<u>126,317</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 August 2017 to 30 July 2018

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade debtors	196,458	328,660
Other debtors	44,221	31,915
Prepayments and accrued income	50,000	13,070
	<u>290,679</u>	<u>373,645</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	393,791	581,050
Amounts owed to related parties	173,060	173,060
Social security and other taxes	7,114	7,385
Accruals and deferred income	17,063	18,089
	<u>591,028</u>	<u>779,584</u>

Amounts owed to related undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018	2017
	£	£
Trade creditors	<u>167,350</u>	<u>-</u>

11. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017
	£	£
Within one year	32,000	28,800
Between one and five years	64,000	85,172
	<u>96,000</u>	<u>113,972</u>

12. SECURED DEBTS

At the period end the vendors of the acquired business held an all asset debenture as security over deferred consideration payable. The deferred consideration was settled in full during the period and the debenture was formally satisfied in October 2017.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 August 2017 to 30 July 2018

13. FINANCIAL INSTRUMENTS

	2018 £	2017 £
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	196,458	328,660
	<u>196,458</u>	<u>328,660</u>
 Financial liabilities that are debt instruments measured at amortised cost		
Trade creditors	561,141	581,050
Accruals	17,063	18,089
Amounts owed to related parties	173,060	173,060
	<u>751,264</u>	<u>772,199</u>

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value: £1	2018 £	2017 £
100	Ordinary		<u>100</u>	<u>100</u>

15. RESERVES

	Retained earnings £
At 1 August 2017	(39,783)
Profit for the period	<u>34,977</u>
At 30 July 2018	<u>(4,806)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 August 2017 to 30 July 2018

16. RELATED PARTY DISCLOSURES

Envirovolt Limited ("EV") and JMS Transformers Limited ("JMS")

EV and JMS each own 50% of the issued share capital of the company.

During the prior period EV and JMS contributed to the cost of acquisition of the business and other initial expenditure. In addition EV made a cash loan to the company of £10,000.

At the year end EV was owed £91,530 by the company, and JMS was owed £81,530 by the company. These amounts owed are unsecured and there are no formal terms relating to repayment or interest.

During the period, the company made purchases from JMS totalling £588,279. At 30 July 2018 the amounts outstanding in relation to the above is £349,789 and this is shown within trade creditors. The amount is being repaid over a period of three years, with an annual interest charge of 9%.

Key management personnel

The key management of the company comprises the five directors, none of whom received any remuneration or benefits during the period.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.