

Watford Control Instruments Ltd

Annual Report and Unaudited Financial Statements
for the Year Ended 31 July 2023

RS Partnership Ltd
Chartered Certified Accountants
10 Prospect Place
Welwyn
Hertfordshire
AL6 9EW

Watford Control Instruments Ltd

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Watford Control Instruments Ltd

Company Information

Directors	Mr Mark Joseph Massetti Mr Jeffrey Christopher Harris Mr. Philip Charles Massetti Mr Sean George Harris Mr Lance Vincent Adams
Registered office	Broad Oak Manor Broad Oak End Bramfield Road Hertford Hertfordshire SG14 2JA
Accountants	RS Partnership Ltd Chartered Certified Accountants 10 Prospect Place Welwyn Hertfordshire AL6 9EW

Watford Control Instruments Ltd

(Registration number: 10186990)

Balance Sheet as at 31 July 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	<u>4</u>	61,009	87,617
Tangible assets	<u>5</u>	380,377	309,410
		<u>441,386</u>	<u>397,027</u>
Current assets			
Stocks	<u>6</u>	430,979	428,669
Debtors	<u>7</u>	252,697	579,201
Cash at bank and in hand		343,524	254,189
		<u>1,027,200</u>	<u>1,262,059</u>
Creditors: Amounts falling due within one year	<u>8</u>	<u>(488,175)</u>	<u>(638,555)</u>
Net current assets		<u>539,025</u>	<u>623,504</u>
Total assets less current liabilities		980,411	1,020,531
Creditors: Amounts falling due after more than one year	<u>8</u>	<u>(240,502)</u>	<u>(221,583)</u>
Provisions for liabilities		<u>(43,145)</u>	<u>(87,785)</u>
Net assets		<u>696,764</u>	<u>711,163</u>
Capital and reserves			
Called up share capital	<u>9</u>	150,101	150,101
Retained earnings		546,663	561,062
Shareholders' funds		<u>696,764</u>	<u>711,163</u>

For the financial year ending 31 July 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have 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.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 15 April 2024 and signed on its behalf by:

Watford Control Instruments Ltd

(Registration number: 10186990)

Balance Sheet as at 31 July 2023

.....
Mr Mark Joseph Massetti
Director

Watford Control Instruments Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 July 2023

1 General information

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is:

Broad Oak Manor
Broad Oak End
Bramfield Road
Hertford
Hertfordshire
SG14 2JA

The principal place of business is:

16a Princewood Road
Earlstrees Industrial Estate
Corby
Northamptonshire
NN17 4AP

These financial statements were authorised for issue by the Board on 15 April 2024.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements are presented in Pounds Sterling (£), which is the Company's functional currency. All amounts have been rounded to the nearest pound, unless otherwise indicated.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Watford Control Instruments Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 July 2023

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant & Machinery	20% Straight Line
Fixture & Fittings	25% Straight Line
Motor Vehicles	25% Straight Line
Office Equipment	25% Straight Line
Short Leasehold Improvements	10 years stright line

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

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Notes to the Unaudited Financial Statements for the Year Ended 31 July 2023

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	10 year straight line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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Notes to the Unaudited Financial Statements for the Year Ended 31 July 2023

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 15 (2022 - 16).

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Notes to the Unaudited Financial Statements for the Year Ended 31 July 2023

4 Intangible assets

	Goodwill £	Other intangible assets £	Total £
Cost or valuation			
At 1 August 2022	170,097	47,991	218,088
At 31 July 2023	170,097	47,991	218,088
Amortisation			
At 1 August 2022	105,554	24,917	130,471
Amortisation charge	17,009	9,599	26,608
At 31 July 2023	122,563	34,516	157,079
Carrying amount			
At 31 July 2023	47,534	13,475	61,009
At 31 July 2022	64,543	23,074	87,617

5 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £
Cost or valuation				
At 1 August 2022	161,263	68,182	12,995	185,533
Additions	-	3,241	119,407	25,343
At 31 July 2023	161,263	71,423	132,402	210,876
Depreciation				
At 1 August 2022	6,719	50,802	5,144	55,898
Charge for the year	16,127	10,565	15,687	34,645
At 31 July 2023	22,846	61,367	20,831	90,543
Carrying amount				
At 31 July 2023	138,417	10,056	111,571	120,333
At 31 July 2022	154,544	17,380	7,851	129,635

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Notes to the Unaudited Financial Statements for the Year Ended 31 July 2023

	Total £
Cost or valuation	
At 1 August 2022	427,973
Additions	<u>147,991</u>
At 31 July 2023	<u>575,964</u>
Depreciation	
At 1 August 2022	118,563
Charge for the year	<u>77,024</u>
At 31 July 2023	<u>195,587</u>
Carrying amount	
At 31 July 2023	<u><u>380,377</u></u>
At 31 July 2022	<u><u>309,410</u></u>

Included within the net book value of land and buildings above is £138,417 (2022 - £154,544) in respect of short leasehold land and buildings.

6 Stocks

	2023 £	2022 £
Work in progress	171,864	119,554
Other inventories	<u>259,115</u>	<u>309,115</u>
	<u><u>430,979</u></u>	<u><u>428,669</u></u>

7 Debtors

	2023 £	2022 £
Trade debtors	(408,889)	282,141
Prepayments	492,409	292,913
Other debtors	<u>169,177</u>	<u>4,147</u>
	<u><u>252,697</u></u>	<u><u>579,201</u></u>

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Notes to the Unaudited Financial Statements for the Year Ended 31 July 2023

8 Creditors

Creditors: amounts falling due within one year

	Note	2023 £	2022 £
Due within one year			
Bank loans and overdrafts	<u>10</u>	58,641	62,086
Trade creditors		295,758	239,146
Amounts owed to group undertakings and undertakings in which the company has a participating interest		67,197	172,501
Taxation and social security		17,709	60,422
Accruals and deferred income		-	5,260
Other creditors		19,480	31,386
Corporation tax		-	39,585
Hire Purchase under 1 year		29,390	28,169
		<u>488,175</u>	<u>638,555</u>

Creditors: amounts falling due after more than one year

	Note	2023 £	2022 £
Due after one year			
Loans and borrowings	<u>10</u>	120,720	168,593
Hire Purchase over 1 year		119,782	52,990
		<u>240,502</u>	<u>221,583</u>

9 Share capital

Allotted, called up and fully paid shares

	2023		2022	
	No.	£	No.	£
Ordinary of £1 each	150,100	150,100	150,100	150,100
Ordinary A of £1 each	1	1	1	1
	<u>150,101</u>	<u>150,101</u>	<u>150,101</u>	<u>150,101</u>

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Notes to the Unaudited Financial Statements for the Year Ended 31 July 2023

10 Loans and borrowings

	2023 £	2022 £
Non-current loans and borrowings		
Bank borrowings	120,720	168,593
Finance lease liabilities	119,782	52,990
	<u>240,502</u>	<u>221,583</u>

	2023 £	2022 £
Current loans and borrowings		
Bank borrowings	47,873	47,086
Finance lease liabilities	29,390	28,169
Other borrowings	10,768	15,000
	<u>88,031</u>	<u>90,255</u>

11 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2023 £	2022 £
Not later than one year	32,000	32,000
Later than one year and not later than five years	128,000	128,000
Later than five years	96,000	128,000
	<u>256,000</u>	<u>288,000</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £32,000 (2022 - £32,000).

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.