

**Vapormatt Limited**

**Company No. 01479677**

**Directors' Report and  
Audited Accounts**

**30 April 2016**

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**Vapormatt Limited COMPANY  
INFORMATION**

**Directors**

R.S. Ashworth

T.I. Ashworth

H.K.F. Brown

P. Charles

M. Teague

**Registered Office**

Monarch Centre Venture Way

Priorswood Industrial Estate

Taunton

Somerset

TA2 8DE

**Auditor**

Ian Katte & Co

Lyndale House

24 High Street

Addlestone

Surrey

KT15 1TN

**Vapormatt Limited DIRECTORS  
REPORT**

The Directors present their report and accounts for the year ended 30 April 2016.

**Principal activities**

The principal activity of the company during the year under review was the sale and maintenance of wet blasting machinery and the sale of abrasive media.

**Directors**

The Directors who served during the year were as follows:

R.S. Ashworth

T.I. Ashworth

H.K.F. Brown (appointed 9 March 2016)

P. Charles

M. Teague

**Statement of directors' responsibilities**

The Directors are responsible for preparing the Directors' report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts 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 accounts 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 accounts, the directors are required to:

- \* select suitable accounting policies and then apply them consistently;
- \* make judgements and 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.

**Statement of disclosure of information to auditor**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant information and to establish that the company's auditors are aware of that information.

The above report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime as set out in Part 15 of the Companies Act 2006.

Signed on behalf of the board

H.K.F. Brown

Director

26 January 2017

## **Vapormatt Limited AUDIT REPORT UNQUALIFIED**

### **Independent Auditor's Report to the member of Vapormatt Limited**

We have audited the accounts of Vapormatt Limited for the year ended 30 April 2016 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the financial reporting standard for smaller entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to smaller entities).

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 auditors' 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.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

In accordance with the exemption provided by APB Ethical Standard - Provisions Available for Smaller Entities (Revised), we have prepared and submitted the company's returns to the tax authorities and assisted with the preparation of the accounts.

### **Scope of the audit of the accounts**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

### **Opinion on the accounts**

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 30 April 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

### **Matters on which we are required to report by exception**

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; or
- the accounts 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 accounts and the directors' report in accordance with the small companies regime.

Ian Katte  
Senior Statutory Auditor  
Ian Katte & Co  
Statutory Auditor, Chartered Accountants  
24 High Street  
Addlestone  
Surrey  
KT15 1TN  
26 January 2017

**Vapormatt Limited PROFIT AND  
LOSS ACCOUNT  
for the year ended 30 April 2016**

	Notes	2016 £	2015 £
<b>Turnover</b>	2	3,972,927	4,929,519
Cost of sales		<u>(1,894,721)</u>	<u>(2,580,706)</u>
<b>Gross profit</b>		2,078,206	2,348,813
Administrative expenses		<u>(2,388,951)</u>	<u>(2,040,185)</u>
Other operating income		<u>44,849</u>	<u>34,259</u>
<b>Operating (loss)/profit</b>	3	(265,896)	342,887
Other interest receivable	4	82	81
Interest payable and similar charges	5	<u>(5,810)</u>	<u>(13,918)</u>
<b>(Loss)/Profit on ordinary activities before taxation</b>		(271,624)	329,050
<b>Taxation</b>	6	61,954	(43,833)
<b>(Loss)/Profit for the financial year after taxation</b>		<u>(209,670)</u>	<u>285,217</u>

**Vapormatt Limited BALANCE SHEET**  
**at 30 April 2016**

<b>Company No.01479677</b>	<b>Notes</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
<b>Fixed assets</b>			
Intangible assets	7	-	-
Tangible assets	8	598,074	500,099
Investments	9	4,000	4,000
		<u>602,074</u>	<u>504,099</u>
<b>Current assets</b>			
Stocks	10	728,858	663,885
Debtors	11	771,669	1,094,377
Cash at bank and in hand		329,405	618,437
		<u>1,829,932</u>	<u>2,376,699</u>
<b>Creditors: Amount falling due within one year</b>	12	<u>(1,113,040)</u>	<u>(1,415,889)</u>
<b>Net current assets</b>		716,892	960,810
<b>Total assets less current liabilities</b>		1,318,966	1,464,909
<b>Creditors: Amounts falling due after more than one year</b>	13	(67,317)	(18,325)
<b>Provisions for liabilities</b>			
Deferred taxation	14	<u>(116,865)</u>	<u>(102,130)</u>
<b>Net assets</b>		<u>1,134,784</u>	<u>1,344,454</u>
<b>Capital and reserves</b>			
Called up share capital	15	261,000	261,000
Profit and loss account	16	873,784	1,083,454
<b>Shareholder's funds</b>		<u>1,134,784</u>	<u>1,344,454</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective January 2015).

Approved by the board on 26 January 2017

And signed on its behalf by:

H.K.F. Brown  
 Director  
 26 January 2017

**Vapormatt Limited NOTES TO THE  
ACCOUNTS  
for the year ended 30 April 2016**

**1 Accounting policies**

**Basis of preparation**

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) ["the FRSSE"].

**Turnover**

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers.

**Tangible fixed assets and depreciation**

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

Leasehold land and buildings	Over the lease term
Plant and machinery	20% to 33% Straight line
Motor vehicles	25% Straight line

**Freehold investment property**

In accordance with the FRSSE, investment properties are revalued annually and any surplus or deficit is transferred to revaluation reserve. No depreciation is provided in respect of investment properties. This treatment conflicts with the requirements of the Companies Act 2006 that all properties should be depreciated. The directors consider that, because these properties are not held for consumption, but for their investment potential it is necessary to adopt the requirements of the FRSSE in order to give a true and fair view.

**Intangible fixed assets and amortisation**

Intangible fixed assets (including purchased goodwill, patents and trademarks and research and development costs) are amortised at rates calculated to write off the assets on a straight line basis over their estimated useful economic lives. Impairment of intangible assets is reviewed where circumstances indicate that the carrying value of an assets may not be fully recoverable.

**Stocks**

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 items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

**Deferred taxation**

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts.

Deferred tax is provided in full on timing differences which result in an obligation to pay more (or a right to pay less) tax at a future date, at the tax rates that are expected to apply when the timing differences reverse, based upon current tax rates and laws.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.



## Research and development

Expenditure on research and development is written off in the year in which it is incurred.

## 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 recorded in sterling using the exchange rate ruling at the date of the transaction.

Exchange differences are taken into account in arriving at the operating profit.

## Leased assets

Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments. Assets held under finance leases, or hire purchase contracts, are recorded in the balance sheet as tangible fixed assets and depreciated over their estimated useful lives or the term of the finance lease or hire purchase contract, whichever is shorter. Future instalments under such finance leases or hire purchase contracts, net of finance charges, are included within creditors. Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

## Pension costs

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end.

	2016	2015
	%	%
Turnover attributable to geographical markets outside the UK	48	44
3 <b>Operating (Loss)/Profit</b>		
	2016	2015
This is stated after charging:	£	£
Depreciation of owned fixed assets	140,268	147,817
Depreciation of assets held under finance leases and hire purchase contracts	38,976	15,231
Auditors' remuneration	6,800	6,600
Directors' remuneration	75,707	64,806
4 <b>Other interest receivable</b>		
	2016	2015
	£	£
Bank interest receivable	9	81
Other interest receivable	73	-
	82	81

## 5 Interest payable and similar charges

	2016	2015
	£	£
Other interest payable	3,443	6,369
Finance lease interest	949	5,010
HP interest	1,418	2,539
	<u>5,810</u>	<u>13,918</u>

## 6 Taxation

	2016	2015
	£	£
<b>UK corporation tax</b>		
Credit for prior periods	(76,689)	(10,367)
Total corporation tax	<u>(76,689)</u>	<u>(10,367)</u>
<b>Deferred tax charge</b>	<u>14,735</u>	<u>54,200</u>
<b>Tax on profit on ordinary activities</b>	<u>(61,954)</u>	<u>43,833</u>

## 7 Intangible fixed assets

	Goodwill	Total
	£	£
<b>Cost</b>		
At 1 May 2015	12,500	12,500
At 30 April 2016	<u>12,500</u>	<u>12,500</u>
<b>Amortisation</b>		
At 1 May 2015	12,500	12,500
At 30 April 2016	<u>12,500</u>	<u>12,500</u>
<b>Net book values</b>		
At 30 April 2016	-	-
At 30 April 2015	<u>-</u>	<u>-</u>

Intangible fixed assets comprise research and development expenditure which has been written off in equal annual instalments over its estimated economic life of 3 years and the excess of the price paid for the shares in the company's subsidiary over the fair value of the net assets acquired; the latter is subject to an annual impairment review.

## 8 Tangible fixed assets

	Land and buildings	Plant and machinery	Motor vehicles	Total
	£	£	£	£
<b>Cost or revaluation</b>				
At 1 May 2015	27,959	1,060,953	195,745	1,284,657
Additions	-	254,578	73,386	327,964
Disposals	-	(146,610)	(20,923)	(167,533)
At 30 April 2016	27,959	1,168,921	248,208	1,445,088
<b>Depreciation</b>				
At 1 May 2015	23,029	599,063	162,466	784,558
Charge for the year	1,726	146,123	31,395	179,244
Disposals	-	(98,044)	(18,744)	(116,788)
At 30 April 2016	24,755	647,142	175,117	847,014
<b>Net book values</b>				
At 30 April 2016	3,204	521,779	73,091	598,074
At 30 April 2015	4,930	461,890	33,279	500,099
<b>Net book values of assets held under finance leases and hire purchase contracts and included above</b>				
At 30 April 2016		38,904	68,476	107,380
At 30 April 2015		32,148	10,379	42,527

## 9 Investments

	Investment in Subsidiaries	Total
	£	£
<b>Cost or revaluation</b>		
At 1 May 2015	4,000	4,000
At 30 April 2016	4,000	4,000
<b>Net book values</b>		
At 30 April 2016	4,000	4,000
At 30 April 2015	4,000	4,000

### Investment in Subsidiaries

The company has the following subsidiary undertakings:

Name of company	Country of incorporation (if not UK)	Class of shares held	% age of shares held %	Capital and reserves at end of the relevant year £	Profit/(loss) for the relevant year £
Vapormatt Scandinavia AB		Ordinary	100	(8,555)	(12,804)

## 10 Stocks

	2016	2015
	£	£
Raw materials and consumables	436,712	421,089
Work in progress	25,549	27,759
Finished goods	266,597	215,037
	<u>728,858</u>	<u>663,885</u>

## 11 Debtors

	2016	2015
	£	£
Trade debtors	326,228	573,664
Amounts owed by group undertakings	106,633	11,778
VAT recoverable	22,725	37,323
Other debtors	335	5,405
Prepayments and accrued income	315,748	466,207
	<u>771,669</u>	<u>1,094,377</u>

## 12 Creditors:

amounts falling due within one year

	2016	2015
	£	£
Obligations under finance lease and hire purchase contracts	28,839	16,458
Trade creditors	300,739	521,978
Amounts owed to group undertakings	111,815	85,315
Other taxes and social security	41,906	26,414
Machine deposits	54,041	94,345
Other creditors	163,989	102,286
Accruals and deferred income	411,711	569,093
	<u>1,113,040</u>	<u>1,415,889</u>

## 13 Creditors:

amounts falling due after more than one year

	2016	2015
	£	£
Obligations under finance lease and hire purchase contracts	67,317	18,325
	<u>67,317</u>	<u>18,325</u>

#### 14 Provisions for liabilities

##### *Deferred taxation*

	2016	2015
	£	£
At 1 May 2015	102,130	47,930
Charge for the period	14,735	54,200
At 30 April 2016	<u>116,865</u>	<u>102,130</u>
	2016	2015
	£	£
Accelerated capital allowances	116,865	102,130
	<u>116,865</u>	<u>102,130</u>

#### 15 Share Capital

	Nominal value	2016	2016	2015
	£	Number	£	£
Allotted, called up and fully paid:				
"A" Ordinary shares	1.00	130,500	130,500	130,500
"B" Ordinary shares	1.00	130,500	130,500	130,500
			<u>261,000</u>	<u>261,000</u>

#### 16 Reserves

	Profit and loss account £
At 1 May 2015	1,083,454
Loss for the period	(209,670)
At 30 April 2016	<u>873,784</u>

## 17 Related party disclosures

<i>Name of related party</i>	Vapormatt Limited - Guernsey
<i>Description of relationship between the parties</i>	Parent company
<i>Description of transaction and general amounts involved</i>	During the year the company (i) purchased goods/services to the value of £217,630 from its parent company and was charged a management fee for the year of £188,017 and (ii) sold or recharged goods/services to the value of £23,407 to its parent company.

<i>Name of related party</i>	Vapormatt Scandinavia AB
<i>Description of relationship between the parties</i>	Wholly owned subsidiary
<i>Description of transaction and general amounts involved</i>	During the year the company sold goods to the value of £36,223 and recharged expenses totalling £8,420 to its wholly owned subsidiary - Vapormatt Sweden AB.

### **Controlling parties**

Immediate controlling party	Vapormatt Limited - Guernsey
Ultimate controlling parties	R Ashworth T Ashworth

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