

Vapormatt Limited

Annual Report and Financial Statements
for the Year Ended 30 April 2019

Vapormatt Limited

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Vapormatt Limited

Directors' Report for the Year Ended 30 April 2019

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

Directors of the company

The directors who held office during the year were as follows:

R S Ashworth

T I Ashworth

R Austin (resigned 17 October 2018)

H K F Brown

P R Charles (resigned 21 September 2019)

T J England (appointed 7 June 2018)

M R Teague

Principal activity

The principal activity of the company is the sale and maintenance of wet blasting machinery and the sale of abrasive media.

Development, performance and position of the business

Following a strategic review, Vapormatt sold the parts of the business associated with the sale of abrasive media. This gives the company the opportunity to focus its time and investment in core activities which will ultimately fulfil its strategic goals.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Small companies provision statement

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.

Approved by the Board on 24 January 2020 and signed on its behalf by:

.....
H K F Brown
Director

Vapormatt Limited

(Registration number: 01479677)

Balance Sheet as at 30 April 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	<u>4</u>	-	-
Tangible assets	<u>5</u>	522,394	335,456
Investments	<u>6</u>	4,000	4,000
		<u>526,394</u>	<u>339,456</u>
Current assets			
Stocks	<u>7</u>	3,372,780	1,062,288
Debtors	<u>8</u>	4,094,521	2,539,272
Cash at bank and in hand		<u>1,311,760</u>	<u>1,281,536</u>
		8,779,061	4,883,096
Creditors: Amounts falling due within one year	<u>9</u>	<u>(7,509,031)</u>	<u>(3,946,381)</u>
Net current assets		<u>1,270,030</u>	<u>936,715</u>
Total assets less current liabilities		1,796,424	1,276,171
Creditors: Amounts falling due after more than one year	<u>9</u>	(51,467)	(79,000)
Provisions for liabilities		<u>27,315</u>	<u>(15,911)</u>
Net assets		<u>1,772,272</u>	<u>1,181,260</u>
Capital and reserves			
Called up share capital		261,000	261,000
Profit and loss account		<u>1,511,272</u>	<u>920,260</u>
Total equity		<u>1,772,272</u>	<u>1,181,260</u>

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 24 January 2020 and signed on its behalf by:

.....
H K F Brown
Director

.....
M R Teague
Director

Vapormatt Limited

Notes to the Financial Statements for the Year Ended 30 April 2019

1 General information

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

The address of its registered office is:

2 Robins Drive
Bridgwater
Somerset
TA6 4DL

These financial statements were authorised for issue by the Board on 24 January 2020.

2 Accounting policies

Statement of compliance

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

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.

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.

Audit report

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 28 January 2020 was Nigel Fry, who signed for and on behalf of Milsted Langdon LLP.

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.

The company recognises revenue as specific performance obligations are met, due to some contracts to build machines being over a longer timescale.

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Grants related to purchase of assets are treated as deferred income and allocated to the income statement over the useful lives of the related assets while grants related to expenses are treated as other income in the income statement.

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Notes to the Financial Statements for the Year Ended 30 April 2019

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 rates prevailing on the initial transaction dates.

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 statement of financial position 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
Leasehold land and buildings	Over the lease term
Plant and machinery	20% to 33% straight line
Motor vehicles	25% straight line

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

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Notes to the Financial Statements for the Year Ended 30 April 2019

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.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

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 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.

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 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.

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Notes to the Financial Statements for the Year Ended 30 April 2019

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.

Provisions

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires a settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the profit and loss account in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

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.

Defined contribution pension obligation

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 expenses when they fall due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

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Notes to the Financial Statements for the Year Ended 30 April 2019

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 49 (2018 - 38).

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 May 2018	12,500	12,500
At 30 April 2019	12,500	12,500
Amortisation		
At 1 May 2018	12,500	12,500
At 30 April 2019	12,500	12,500
Carrying amount		
At 30 April 2019	-	-
At 30 April 2018	-	-

5 Tangible assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 May 2018	121,429	735,530	322,019	1,178,978
Additions	246,384	63,410	-	309,794
At 30 April 2019	367,813	798,940	322,019	1,488,772
Depreciation				
At 1 May 2018	26,998	595,928	220,596	843,522
Charge for the year	16,330	58,180	48,346	122,856
At 30 April 2019	43,328	654,108	268,942	966,378
Carrying amount				
At 30 April 2019	324,485	144,832	53,077	522,394
At 30 April 2018	94,431	139,602	101,423	335,456

Included within the net book value of land and buildings above is £324,485 (2018 - £94,431) in respect of leasehold land and buildings.

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Notes to the Financial Statements for the Year Ended 30 April 2019

6 Investments

	2019 £	2018 £
Investments in subsidiaries	<u>4,000</u>	<u>4,000</u>
Subsidiaries		£
Cost or valuation		
At 1 May 2018		<u>4,000</u>
At 30 April 2019		<u>4,000</u>
Provision		
At 1 May 2018 and at 30 April 2018		<u>-</u>
Carrying amount		
At 30 April 2019		<u>4,000</u>
At 30 April 2018		<u>4,000</u>

7 Stocks

	2019 £	2018 £
Raw materials and consumables	527,201	657,889
Work in progress	1,694,357	151,679
Finished goods	<u>1,151,222</u>	<u>252,720</u>
	<u>3,372,780</u>	<u>1,062,288</u>

8 Debtors

	Note	2019 £	2018 £
Trade debtors		2,505,040	1,795,066
Amounts owed by group undertakings		263,820	64,624
Other debtors		637,762	181,362
Prepayments and accrued income		<u>687,899</u>	<u>498,220</u>
		<u>4,094,521</u>	<u>2,539,272</u>

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Notes to the Financial Statements for the Year Ended 30 April 2019

9 Creditors

Creditors: amounts falling due within one year

	Note	2019 £	2018 £
Due within one year			
Loans and borrowings	<u>10</u>	56,536	68,709
Trade creditors		1,998,748	281,071
Amounts owed to group undertakings		4,000	4,000
Taxation and social security		42,007	40,000
Other creditors		2,203,438	2,499,620
Accruals and deferred income		<u>3,204,302</u>	<u>1,052,981</u>
		<u>7,509,031</u>	<u>3,946,381</u>

Creditors falling due within one year includes net obligations under finance lease and hire purchase contracts which are secured of £56,536 (2018 - £68,709).

Creditors: amounts falling due after more than one year

	Note	2019 £	2018 £
Due after one year			
Loans and borrowings	<u>10</u>	<u>51,467</u>	<u>79,000</u>

Creditors falling due after more than one year includes net obligations under finance lease and hire purchase contracts which are secured of £51,467 (2018 - £79,000).

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Notes to the Financial Statements for the Year Ended 30 April 2019

10 Loans and borrowings

	2019 £	2018 £
Non-current loans and borrowings		
Finance lease liabilities	<u>51,467</u>	<u>79,000</u>
Current loans and borrowings		
Finance lease liabilities	<u>56,536</u>	<u>68,709</u>

11 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £1,154,329 (2018 - £1,176,815).

12 Parent and ultimate parent undertaking

The company's immediate parent is Vapormatt Limited, incorporated in Guernsey.

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.