

Registration number: 01479677

Vapormatt Limited

Annual Report and Financial Statements

for the Year Ended 30 April 2018



Vapormatt Limited

Contents

Company Information	1
Directors' Report	2
Statement of Directors' Responsibilities	3
Independent Auditor's Report	4 to 6
Profit and Loss Account	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 to 17

Vapormatt Limited

Company Information

Directors	R S Ashworth
	T I Ashworth
	H K F Brown
	P R Charles
	T J England
	M R Teague
Registered office	2 Robins Drive
	Bridgwater
	Somerset
	TA6 4DL
Auditors	Milsted Langdon LLP
	Winchester House
	Deane Gate Avenue
	Taunton
	Somerset
	TA1 2UH

Vapormatt Limited

Directors' Report for the Year Ended 30 April 2018

The directors present their report and the financial statements for the year ended 30 April 2018.

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

M R Teague

The following director was appointed after the year end:

T J England (appointed 7 June 2018)

Principal activity

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


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 16/11/18 and signed on its behalf by:



H K F Brown
Director

Vapormatt Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and 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 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.

Vapormatt Limited

Independent Auditor's Report to the Members of Vapormatt Limited

Opinion

We have audited the financial statements of Vapormatt Limited (the 'company') for the year ended 30 April 2018, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and 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 FRS 102 Section 1A '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 April 2018 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.

Other information

The other information comprises the information included in the annual 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.

Vapormatt Limited

Independent Auditor's Report to the Members of Vapormatt Limited

Opinion on other matter 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 our 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 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 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 3], 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.

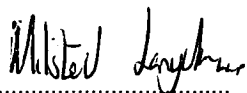
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

Vapormatt Limited

Independent Auditor's Report to the Members of Vapormatt Limited



.....
Nigel Fry (Senior Statutory Auditor)
For and on behalf of Milsted Langdon LLP, Statutory Auditor
Winchester House
Deane Gate Avenue
Taunton
Somerset
TA1 2UH

16 November 2018

Vapormatt Limited

Profit and Loss Account for the Year Ended 30 April 2018

	Note	2018 £	2017 £
Turnover		6,769,052	3,809,537
Cost of sales		<u>(4,051,741)</u>	<u>(1,892,667)</u>
Gross profit		2,717,311	1,916,870
Distribution costs and selling expenses		(60,553)	(49,849)
Administrative expenses		(2,664,120)	(2,131,117)
Other operating income		<u>70,794</u>	<u>66,867</u>
Operating profit/(loss)		<u>63,432</u>	<u>(197,229)</u>
Other interest receivable		-	17
Interest payable and similar expenses		<u>(12,757)</u>	<u>(8,760)</u>
		<u>(12,757)</u>	<u>(8,743)</u>
Profit/(loss) before tax		50,675	(205,972)
Taxation		<u>123,577</u>	<u>90,270</u>
Profit/(loss) for the financial year		<u><u>174,252</u></u>	<u><u>(115,702)</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

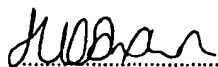
Vapormatt Limited

(Registration number: 01479677)
Balance Sheet as at 30 April 2018

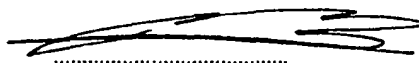
	Note	2018 £	2017 £
Fixed assets			
Intangible assets	4	-	-
Tangible assets	5	335,456	383,879
Investments	6	4,000	4,000
		<u>339,456</u>	<u>387,879</u>
Current assets			
Stocks	7	1,062,288	880,086
Debtors	8	2,539,272	1,269,097
Cash at bank and in hand		1,281,536	210,508
		<u>4,883,096</u>	<u>2,359,691</u>
Creditors: Amounts falling due within one year	9	<u>(3,946,381)</u>	<u>(1,633,824)</u>
Net current assets		<u>936,715</u>	<u>725,867</u>
Total assets less current liabilities		1,276,171	1,113,746
Creditors: Amounts falling due after more than one year	9	(79,000)	(55,129)
Provisions for liabilities		<u>(15,911)</u>	<u>(51,609)</u>
Net assets		<u>1,181,260</u>	<u>1,007,008</u>
Capital and reserves			
Called up share capital		261,000	261,000
Profit and loss account		920,260	746,008
Total equity		<u>1,181,260</u>	<u>1,007,008</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.

Approved and authorised by the Board on 16/11/18 and signed on its behalf by:



H K F Brown
Director



M R Teague
Director

Vapormatt Limited

Statement of Changes in Equity for the Year Ended 30 April 2018

	Share capital £	Profit and loss account £	Total £
At 1 May 2017	261,000	746,008	1,007,008
Profit for the year	-	174,252	174,252
Total comprehensive income	-	174,252	174,252
At 30 April 2018	261,000	920,260	1,181,260

	Share capital £	Profit and loss account £	Total £
At 1 May 2016	261,000	861,710	1,122,710
Loss for the year	-	(115,702)	(115,702)
Total comprehensive income	-	(115,702)	(115,702)
At 30 April 2017	261,000	746,008	1,007,008

The notes on pages 10 to 17 form an integral part of these financial statements.

Vapormatt Limited

Notes to the Financial Statements for the Year Ended 30 April 2018

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 16 November 2018.

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.

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.

This differs from the revenue recognition policy adopted in the year ended 30 April 2017 and prior years. Previously, the company would recognise revenue when goods were delivered and legal title had passed. This was not considered to show a true and fair reflection of the revenue of the company due to some contracts to build machines being over a longer timescale. Therefore the company now recognises revenue as specific performance obligations are met. This new policy provides a more reliable method of recognising income.

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.

Vapormatt Limited

Notes to the Financial Statements for the Year Ended 30 April 2018

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.

Vapormatt Limited

Notes to the Financial Statements for the Year Ended 30 April 2018

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.

Vapormatt Limited

Notes to the Financial Statements for the Year Ended 30 April 2018

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.

Vapormatt Limited

Notes to the Financial Statements for the Year Ended 30 April 2018

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 38 (2017 - 39).

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 May 2017	12,500	12,500
At 30 April 2018	12,500	12,500
Amortisation		
At 1 May 2017	12,500	12,500
At 30 April 2018	12,500	12,500
Carrying amount		
At 30 April 2018	-	-
At 30 April 2017	-	-

5 Tangible assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 May 2017	27,959	931,545	289,118	1,248,622
Additions	93,470	122,127	32,901	248,498
Disposals	-	(318,142)	-	(318,142)
At 30 April 2018	121,429	735,530	322,019	1,178,978
Depreciation				
At 1 May 2017	26,480	665,377	172,886	864,743
Charge for the year	518	53,569	47,710	101,797
Eliminated on disposal	-	(123,018)	-	(123,018)
At 30 April 2018	26,998	595,928	220,596	843,522
Carrying amount				
At 30 April 2018	94,431	139,602	101,423	335,456
At 30 April 2017	1,479	266,168	116,232	383,879

Included within the net book value of land and buildings above is £94,431 (2017 - £1,479) in respect of leasehold land and buildings.

Vapormatt Limited

Notes to the Financial Statements for the Year Ended 30 April 2018

6 Investments

	2018 £	2017 £
Investments in subsidiaries	<u>4,000</u>	<u>4,000</u>
Subsidiaries		£
Cost or valuation		
At 1 May 2017		<u>4,000</u>
At 30 April 2018		<u>4,000</u>
Provision		
At 1 May 2017 and at 30 April 2018		<u>-</u>
Carrying amount		
At 30 April 2018		<u>4,000</u>
At 30 April 2017		<u>4,000</u>

7 Stocks

	2018 £	2017 £
Raw materials and consumables	657,889	591,480
Work in progress	151,679	105,195
Finished goods	<u>252,720</u>	<u>183,411</u>
	<u>1,062,288</u>	<u>880,086</u>

8 Debtors

	2018 £	2017 £
Note		
Trade debtors	1,795,066	563,456
Amounts owed by group undertakings	64,624	57,914
Other debtors	181,362	68,206
Prepayments and accrued income	<u>498,220</u>	<u>579,521</u>
	<u>2,539,272</u>	<u>1,269,097</u>

Vapormatt Limited

Notes to the Financial Statements for the Year Ended 30 April 2018

9 Creditors

Creditors: amounts falling due within one year

	Note	2018 £	2017 £
Due within one year			
Loans and borrowings	10	68,709	48,212
Trade creditors		281,071	265,436
Amounts owed to group undertakings		4,000	59,994
Taxation and social security		40,000	24,136
Other creditors		2,499,620	745,571
Accruals and deferred income		1,052,981	490,475
		<u>3,946,381</u>	<u>1,633,824</u>

Creditors falling due within one year includes net obligations under finance lease and hire purchase contracts which are secured of £68,709 (2017 - £48,212).

Creditors: amounts falling due after more than one year

	Note	2018 £	2017 £
Due after one year			
Loans and borrowings	10	<u>79,000</u>	<u>55,129</u>

Creditors falling due after more than one year includes net obligations under finance lease and hire purchase contracts which are secured of £79,000 (2017 - £55,129).

Vapormatt Limited

Notes to the Financial Statements for the Year Ended 30 April 2018

10 Loans and borrowings

	2018 £	2017 £
Non-current loans and borrowings		
Finance lease liabilities	<u>79,000</u>	<u>55,129</u>

	2018 £	2017 £
Current loans and borrowings		
Finance lease liabilities	<u>68,709</u>	<u>48,212</u>

11 Parent and ultimate parent undertaking

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