

Wavesight Limited

**Annual report and financial statements
for the year ended 31 December 2017**



Wavesight Limited
Company Information

Directors

Pravin Kumar Sood
Anmol Kumar Sood

Secretary

Anmol Kumar Sood

Company number

05158324

Registered office

Unit 13
Dencora Way
Sundon Business Park
Luton
Bedfordshire
LU3 3HP

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
10 Bricket Road
St Albans
Herts
AL1 3JX

Bankers

Barclays Bank plc
Dunstable Road
Luton
LU1 1BB

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Directors' report

For the year ended 31 December 2017

The directors present their annual report and financial statements for the year ended 31 December 2017.

Principal activities

The principal activity of the company continued to be that of the manufacture and sale of wireless and cable broadband products as well as the specialised design and manufacture of mobile data communication systems used primarily in the automotive telematics industry.

Directors

The directors who held office during the year ended and up to the date of signature of the financial statements were as follows:

Pravin Kumar Sood

Anmol Kumar Sood

Results and dividends

The company recorded a loss for the year of £454,515 (2016: £508,330). The directors do not recommend the payment of dividend (2016: Nil).

Statement of directors' responsibilities

The directors are responsible for preparing the directors' 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, comprising FRS102 "The Financial Reporting Standards applicable in the UK and Republic of Ireland", 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 then apply them consistently;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments 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.

Wavesight Limited

Directors' report (continued)

For the year ended 31 December 2017

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the 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.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Going concern

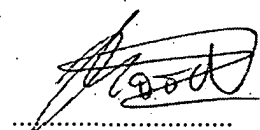
The financial statements have been prepared on the going concern basis. The company meets its day-to-day working capital requirements through its cash reserves and group treasury function. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current cash reserves. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and at least 12 months from the date of signing these financial statements. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning re-appointment will be proposed at the Annual General Meeting

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

On behalf of the board



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Anmol Sood

Director

12th October 2018

Independent auditors' report to the members of Wavesight Limited

Report on the audit of the financial statements

Opinion

In our opinion, Wavesight Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2017; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Independent auditors' report to the members of Wavesight Limited (continued)

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 1, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

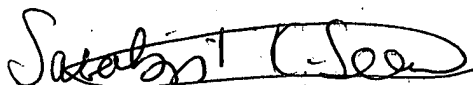
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Sarabjit Seera (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
12 October 2018

Wavesight Limited**Statement of comprehensive income
For the year ended 31 December 2017**

	Notes	Year Ended 31 Dec 17 £	Year Ended 31 Dec 16 £
Turnover	3	497,090	433,409
Cost of sales		(408,759)	(283,315)
Gross Profit		88,331	150,094
Administrative expenses		(737,512)	(730,138)
Operating loss	4	(649,181)	(580,044)
Taxation	6	194,666	71,714
Loss and total comprehensive income for the financial year ended		(454,515)	(508,330)

The Statement of comprehensive income has been prepared on the basis that all operations are continuing operations. There was no other comprehensive income during the year.

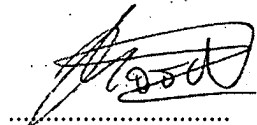
Wavesight Limited

**Statement of financial position
As at 31 December 2017**

		31 Dec 17 £	31 Dec 17 £	31 Dec 16 £	31 Dec 16 £
	Notes				
Fixed assets					
Tangible assets	7		14,273		12,763
Current assets					
Stocks	8	128,317		51,976	
Debtors	9	462,226		428,173	
Cash at bank and in hand		16,995		2,489	
		<u>607,538</u>		<u>482,638</u>	
Creditors: amounts falling due within one year	10	<u>(4,317,297)</u>		<u>(3,736,37)</u>	
Net current liabilities			(3,709,759)		(3,253,733)
Total assets less current liabilities			<u>(3,695,486)</u>		<u>(3,240,971)</u>
Capital and reserves					
Called up share capital	13		81		81
Profit and loss reserves			(3,695,567)		(3,241,052)
Total shareholders' deficit			<u>(3,695,486)</u>		<u>(3,240,971)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 5 to 20 were approved by the board of directors and authorized for issue on 12th October 2018 and are signed on its behalf by:



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Anmol Sood

Director

Company Registration No. 05158324

Wavesight Limited

**Statement of changes in equity
For the year ended 31 December 2017**

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2016		81	(2,732,722)	(2,732,641)
Year ended 31 December 2016:				
Loss and total comprehensive income for year		-	(508,330)	(508,330)
Balance at 31 December 2016		81	(3,241,052)	(3,240,971)
Year ended 31 December 2017:				
Loss and total comprehensive income for the year		-	(454,515)	(454,515)
Balance at 31 December 2017		81	(3,695,567)	(3,695,486)

1 Accounting policies

Company information

Wavesight Limited is a private company, limited by shares, incorporated in England, United Kingdom. The registered office is Unit 13, Dencora Way, Sundon Business Park, Luton, Bedfordshire, LU3 3HP.

The principal activity of the company continued to be that of the manufacture and sale of wireless and cable broadband products as well as the specialised design and manufacture of mobile data communication systems used primarily in the automotive telematics industry.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The financial statements have been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

1.2 Going concern

The overall financial performance and position for 2017 indicates a positive turnover for the year.

The company had net current liabilities of £3,709,759 and had net liabilities of £3,695,486 at 31 December 2017. These are indications of potential going concern issues.

The forecast for the next 12 months is that the company will be cash flow positive. The company meets its day-to-day working capital requirements through an overdraft facility and a loan from Jaltek Holdings Limited, a related company. The company's forecasts and projections, taking into account future changes in trading performance, show that the company should be able to operate within the levels of its current facilities, combined with the continued support of Jaltek Holdings Limited. Jaltek Holdings Limited has provided written confirmation of its continuing financial support to the company for at least one year after these financial statements are signed.

The financial statements have been prepared on the going concern basis. The company meets its day-to-day working capital requirements through its cash reserves and group treasury function. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current cash reserves. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and at least 12 months from the date of signing these financial statements. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Notes to the financial statements (continued)
For the year ended 31 December 2017

1 Accounting policies (continued)

1.3 Turnover

The company manufactures and sells a range of electrical products. Sales of goods are recognised on delivery to the customer, when the customer has full control and discretion over the product and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Delivery occurs when the goods have been shipped to the location specified by the customer, the risks of obsolescence or loss have been transferred to the customer, the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the company has objective evidence that all criteria for acceptance have been satisfied.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	33% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the Statement of comprehensive income.

1.5 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Notes to the financial statements (continued)
For the year ended 31 December 2017

1 Accounting policies (continued)

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Notes to the financial statements (continued)
For the year ended 31 December 2017

1 Accounting policies (continued)

1.8 Financial instruments (continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire; or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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 'creditors: amounts falling due within one year' if payment is due within one year or less. If not, they are presented as 'creditors: amounts falling due after more than one year'. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit or loss.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1 Accounting policies (continued)

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the Year they are payable.

Notes to the financial statements (continued)

For the year ended 31 December 2017

1 Accounting policies (continued)

1.13 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the Statement of comprehensive income so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the Statement of comprehensive income for the period.

1.15 Research and development

Research and development expenditure is written off to the statement of comprehensive income in the year in which it is incurred.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Stocks

Judgements are made when considering if items within stock require a provision for diminution in value. Management base their assessments on the age of stocks and demand for products. Management believe that after applying the provision the value is a reasonable expectation of what could be obtained in the normal course of trade. These judgements are reviewed regularly to reflect the changing environment.

Notes to the financial statements (continued)
For the year ended 31 December 2017

3 Turnover

An analysis of the company's turnover is as follows:

	Year Ended 31 Dec 17 £	Year Ended 31 Dec 16 £
Turnover		
Derived from the principal activity	497,090	433,409
Turnover analysed by geographical market		
United Kingdom	396,408	12,294
Europe	57,482	421,115
Rest of the World	43,200	-
	497,090	433,409

4 Operating Loss

	Year Ended 31 Dec 17 £	Year Ended 31 Dec 16 £
Operating loss for the period is stated after charging:		
Fees payable to the company's auditors for the audit of the company's financial statements	5,852	5,869
Depreciation of tangible fixed assets	2,743	7,301
Inventory charged as an expense	302,089	237,441
Research and development costs	53,949	65,018
Impairment of debtors	16,259	-
Operating lease expense	3,531	3,746

Notes to the financial statements (continued)
For the year ended 31 December 2017

5 Employees

The average monthly number of persons (including directors) employed by the company during the year ended was:

	2017	2016
Engineering Department	4	4
Management and Others	5	8
	9	12

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	433,176	406,966
Social security costs	41,627	36,677
Pension costs	16,743	17,802
	491,546	461,445

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2017 £	2016 £
Aggregate compensation	119,564	118,889
	119,564	118,889

6 Taxation

	2017 £	2016 £
Current Tax		
Adjustment in respect of previous periods	(77,087)	(40,102)
Research and development tax credits	-	-
Corporation tax credit	(115,769)	(31,612)
Deferred tax		
Origination and reversal of timing differences	(408)	-
Adjustment in respect of previous periods	(1,450)	-
Effect of changes in tax rates	48	-
Total Tax Charges	(194,666)	(71,714)

Notes to the financial statements (continued)
For the year ended 31 December 2017

6 Taxation (continued)

Tax Rate Changes

The reduction in corporation tax rate from 20% to 19% was substantively enacted on 26 October 2015. A further reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The current tax rate used in the year ended 31 December 2017 is therefore 19.25% and the rate used for closing deferred tax balances is 17%.

The tax credit for the year can be reconciled to the profit/(loss) per the income statement as follows:

	2017 £	2016 £
Loss for the year	(649,181)	(580,044)
Tax on loss at UK tax rate at 19.25% (2016: 20.00%)	(124,967)	(116,008)
Adjustments from prior periods	(78,537)	(40,102)
Tax rate changes	48	-
R&D Relief	(46,759)	-
Deferred tax not provided	55,549	-
Losses arising in the year	-	84,396
Total tax credit	(194,666)	(71,714)

Wavesight Limited

Notes to the financial statements (continued)

For the year ended 31 December 2017

7 Tangible fixed assets

**Plant and
Machinery
£**

Cost

At 1 January 2017

54,067

Additions

4,253

At 31 December 2017

58,320

Depreciation

At 1 January 2017

41,304

Depreciation

2,743

At 31 December 2017

44,047

Carrying amount

At 31 December 2017

14,273

At 31 December 2016

12,763

8 Stocks

2017

2016

£

£

Raw materials

85,328

25,164

Finished goods and goods for resale

42,989

26,812

128,317

51,976

Notes to the financial statements (continued)
For the year ended 31 December 2017

9 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	71,861	151,387
Amount due from group undertaking	261,711	251,571
Other debtors	14,550	18,847
Prepayments and accrued income	32,951	4,488
	381,073	426,293
Deferred tax asset (note 11)	3,690	1,880
Corporation Tax	77,463	-
	462,226	428,173

Trade debtors disclosed above are measured at amortised cost.

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

10 Creditors: amounts falling due within one year

	2017	2016
Notes	£	£
Trade creditors	172,296	240,576
Other taxation and social security	43,902	14,291
Other creditors	4,036,820	3,381,105
Accruals and deferred income	64,279	100,399
	4,317,297	3,736,371

Notes to the financial statements (continued)
For the year ended 31 December 2017

11 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Notes	2017 £	2016 £
Accelerated Capital Allowances		3,690	1,880
		3,690	1,880

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so.

The company has estimated tax losses of £1.9m (2016: £1.9m) available for carry forward against future trading profits.

The deferred tax asset of £0.3m (2016: £0.3m) in respect of these losses has not been recognized in these accounts.

12 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £16,743 (2016 - £17,802).

13 Share capital

	2017 £	2016 £
Ordinary share capital issued and fully paid 813,750 Ordinary shares of 0.01p each	81	81
	81	81

The shares have attached to them full voting rights.

Notes to the financial statements (continued)

For the year ended 31 December 2017

14 Operating lease commitments

Lessee

At the reporting end date, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017	2016
	£	£
Within one year	3,531	3,746
	3,531	3,746

15 Related party transactions

During the year the company made purchases from Jaltek Design Services Limited, a company in which P Sood and A Sood are directors. Total purchases for the year amounted to £2,040 (2016 - Nil). At the year end Wavesight Limited owed Jaltek Design Services Limited £4,858 (2016 - £8,728).

During the year the company made sales with Jaltek Systems Limited, a company in which P Sood and A Sood are directors. Total sales for the year amounted to £217,002 (2016 - £252,923). At the year end the company owed £nil (2016 - Nil) to Jaltek Systems Limited.

At the year end, the company owed £2,535,717 (2016: £2,017,034) to Jaltek Holdings Limited, a company in which P Sood and A Sood are directors.

At the year end £182,370 (2016 - £nil) was owed by Wavesight to Hidalgo Limited, a company in which P Sood and A Sood are directors and an associated company of Wavesight Limited by virtue of common ownership.

At the year end £52,688 (2016 - £55,986) was owed by Locate Sales and marketing Limited, a company in which P Sood and A Sood are directors.

At the year end £1,352,198 (2016 - £1,101,198) was owed to Directors of the company.

16 Controlling party

The ultimate parent company is Wavesight Holdings Limited, a company incorporated in England and Wales. The ultimate controlling party, by virtue of a majority shareholding in Wavesight Holdings Limited, is the Jaltek Trust, a discretionary trust established in Jersey. Their registered address is care of Scott Kenny, VG, 37 Esplanade, St Helier, Jersey, JE1 2TR.