

COMPANY REGISTRATION NUMBER: 07004281

Scour Prevention Systems Ltd
Unaudited financial statements
31 March 2017

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Scour Prevention Systems Ltd

Chartered accountants' report to the board of directors on the preparation of the unaudited statutory financial statements of Scour Prevention Systems Ltd

Year ended 31 March 2017

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Scour Prevention Systems Ltd for the year ended 31 March 2017, which comprise the statement of financial position and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at www.icaew.com/en/membership/regulations-standards-and-guidance.

This report is made solely to the Board of Directors of Scour Prevention Systems Ltd, as a body, in accordance with the terms of our engagement letter dated 5 April 2016. Our work has been undertaken solely to prepare for your approval the financial statements of Scour Prevention Systems Ltd and state those matters that we have agreed to state to you, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF as detailed at www.icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Scour Prevention Systems Ltd and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Scour Prevention Systems Ltd has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Scour Prevention Systems Ltd. You consider that Scour Prevention Systems Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Scour Prevention Systems Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



LOVEWELL BLAKE LLP
Chartered Accountants

21/12/17

Excelsior House
9 Quay View Business Park
Barnards Way
Lowestoft
NR32 2HD

Scour Prevention Systems Ltd

Statement of financial position

31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	5	867,599	857,534
Tangible assets	6	<u>18,132</u>	<u>25,053</u>
		885,731	882,587
Current assets			
Debtors	7	6,777	14,992
Cash at bank and in hand		<u>6,669</u>	<u>41,141</u>
		13,446	56,133
Creditors: Amounts falling due within one year	8	<u>(138,175)</u>	<u>(29,174)</u>
Net current (liabilities)/assets		(124,729)	26,959
Total assets less current liabilities		761,002	909,546
Creditors: Amounts falling due after more than one year	9	<u>(254,124)</u>	<u>(254,124)</u>
Net assets		<u>506,878</u>	<u>655,422</u>
Capital and reserves			
Called up share capital		3,758	3,758
Share premium account		1,169,306	1,169,306
Profit and loss account		<u>(666,186)</u>	<u>(517,642)</u>
Members funds		<u>506,878</u>	<u>655,422</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the income statement has not been delivered.

For the year ending 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

The statement of financial position
continues on the following page.

The notes on pages 4 to 7 form part of these financial statements.

Scour Prevention Systems Ltd

Statement of financial position *(continued)*

31 March 2017

These financial statements were approved by the board of directors and authorised for issue on 13/12/2017 and are signed on behalf of the board by:



J P Balch
Director

Company registration number: 07004281

The notes on pages 4 to 7 form part of these financial statements.

Scour Prevention Systems Ltd

Notes to the financial statements

Year ended 31 March 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Orbis Energy, Wilde Street, Lowestoft, Suffolk, NR32 IXH.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The accounts have been approved on the going concern basis on the basis that further growth will be supported by current resource and further investment as required will be forthcoming from the shareholders or external providers.

Government grants

Government grants relating to capitalised research and development costs are treated as deferred income and released to the profit and loss account in accordance with the period of amortisation of those costs. Other grants are credited to the profit and loss account as the related expenditure is incurred.

Transition to FRS 102

The Entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2016. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 11.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Scour Prevention Systems Ltd

Notes to the financial statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Income tax *(continued)*

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation. A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Intangible assets

Research and development

Expenditure on research and development is written off in the year in which it is incurred except where it meets the criteria for capitalisation. Where research and development expenditure is capitalised, it is amortised in accordance with the expected term of revenue streams. Amortisation is charged in line with the sale of the developed product.

Patents

Where patent expenditure is capitalised, it is amortised in accordance with the expected term of the associated income streams. Amortisation has been set over 15 years in accordance with the directors' assessment, to commence from the first sale of the patented product.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Patents and licences	-	Charged in line with the sale of the developed product
Research and development	-	15 years from the first sale of the patented product

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Scour Prevention Systems Ltd

Notes to the financial statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Website	-	25% straight line
Plant and machinery	-	15% straight line
Equipment	-	25% straight line

4. Employee numbers

The average number of persons employed by the company during the year, including the directors, amounted to 6 (2016: 6).

5. Intangible assets

	Research & Development £	Patents & Licenses £	Total £
Cost			
At 1 April 2016	775,795	85,549	861,344
Additions	–	14,088	14,088
At 31 March 2017	<u>775,795</u>	<u>99,637</u>	<u>875,432</u>
Amortisation			
At 1 April 2016	1,375	2,435	3,810
Charge for the year	–	4,023	4,023
At 31 March 2017	<u>1,375</u>	<u>6,458</u>	<u>7,833</u>
Carrying amount			
At 31 March 2017	<u>774,420</u>	<u>93,179</u>	<u>867,599</u>
At 31 March 2016	<u>774,420</u>	<u>83,114</u>	<u>857,534</u>

Scour Prevention Systems Ltd

Notes to the financial statements *(continued)*

Year ended 31 March 2017

6. Tangible assets

	Website £	Plant and machinery £	Equipment £	Total £
Cost				
At 1 April 2016	2,480	24,648	9,070	36,198
Additions	–	–	69	69
Disposals	–	–	(4,134)	(4,134)
At 31 March 2017	<u>2,480</u>	<u>24,648</u>	<u>5,005</u>	<u>32,133</u>
Depreciation				
At 1 April 2016	1,364	4,005	5,776	11,145
Charge for the year	620	3,697	1,920	6,237
Disposals	–	–	(3,381)	(3,381)
At 31 March 2017	<u>1,984</u>	<u>7,702</u>	<u>4,315</u>	<u>14,001</u>
Carrying amount				
At 31 March 2017	<u>496</u>	<u>16,946</u>	<u>690</u>	<u>18,132</u>
At 31 March 2016	<u>1,116</u>	<u>20,643</u>	<u>3,294</u>	<u>25,053</u>

7. Debtors

	2017 £	2016 £
Trade debtors	–	401
Other debtors	6,777	14,591
	<u>6,777</u>	<u>14,992</u>

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	34,279	13,676
Social security and other taxes	–	699
Other creditors	103,896	14,799
	<u>138,175</u>	<u>29,174</u>

9. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Other creditors	<u>254,124</u>	<u>254,124</u>

10. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 April 2016.

No transitional adjustments were required in equity or profit or loss for the year.