

**COMDRONIC LIMITED**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**PAGES FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 DECEMBER 2017**



**COMDRONIC LIMITED**  
**REGISTERED NUMBER:08907422**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	5	98,122	147,182
Tangible assets	6	4,160	6,240
		<u>102,282</u>	<u>153,422</u>
<b>Current assets</b>			
Stocks	7	42,616	33,597
Debtors: amounts falling due within one year	8	35,383	49,647
Cash at bank and in hand	9	8,340	46,289
		<u>86,339</u>	<u>129,533</u>
Creditors: amounts falling due within one year	10	(80,198)	(135,569)
<b>Net current assets/(liabilities)</b>		<u>6,141</u>	<u>(6,036)</u>
<b>Total assets less current liabilities</b>		<u>108,423</u>	<u>147,386</u>
Creditors: amounts falling due after more than one year	11	-	(64,668)
<b>Provisions for liabilities</b>			
Deferred tax	12	(707)	(1,061)
		<u>(707)</u>	<u>(1,061)</u>
<b>Net assets</b>		<u><u>107,716</u></u>	<u><u>81,657</u></u>
<b>Capital and reserves</b>			
Called up share capital		2	2
Profit and loss account		107,714	81,655
		<u><u>107,716</u></u>	<u><u>81,657</u></u>

**COMDRONIC LIMITED**  
**REGISTERED NUMBER:08907422**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2017**

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The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

30th July 2018



**Mr A McKenzie**  
Director

The notes on pages 3 to 11 form part of these financial statements.

# COMDRONIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1. General information

Comdronic Limited ("the Company") is a company limited by shares and incorporated in England and Wales. The address of the registered office is Fitzroy House, Crown Street, Ipswich, Suffolk, IP1 3LG. The principal activity of the company is the trading of water manometers in the HVAC (Heating Ventilation and Air Conditioning) industry.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

#### 2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### **Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### **Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

# COMDRONIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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### 2. Accounting policies (continued)

#### 2.3 Intangible Assets

##### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and Loss Account over its useful economic life.

#### 2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 20% Straight Line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

#### 2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis.

At each balance sheet date, stocks are assessed for impairment. If stock is 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.

#### 2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

# COMDRONIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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### 2. Accounting policies (continued)

#### 2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### 2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

#### 2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### 2.10 Foreign currency translation

Functional and presentational currency:

The Company's functional and presentational currency is GBP.

#### 2.11 Finance costs

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

# COMDRONIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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### 2. Accounting policies (continued)

#### 2.13 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

#### 2.14 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

#### 2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires 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.

#### 2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

# COMDRONIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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### 2. Accounting policies (continued)

#### 2.17 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

The useful economic life of intangible assets of 5 years straight line is considered in accordance with the requirements under FRS 102 section 18.20.

### 4. Employees

The average monthly number of employees, including directors, during the year was 2 (2016 - 2).

### 5. Profit and dividends

During the year to 31 December 2017 dividends of £76,580 (2016: £78,000) were paid. The company only has profit and loss account reserves which are fully distributable.



# COMDRONIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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### 6. Intangible assets

	Goodwill £
<b>Cost</b>	
At 1 January 2017	245,302
At 31 December 2017	<u>245,302</u>
<b>Amortisation</b>	
At 1 January 2017	98,120
Charge for the year	49,060
At 31 December 2017	<u>147,180</u>
<b>Net book value</b>	
At 31 December 2017	<u><u>98,122</u></u>
At 31 December 2016	<u><u>147,182</u></u>

# COMDRONIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### 7. Tangible fixed assets

	Plant and machinery £
<b>Cost or valuation</b>	
At 1 January 2017	11,200
At 31 December 2017	11,200
<b>Depreciation</b>	
At 1 January 2017	4,960
Charge for the year on owned assets	2,080
At 31 December 2017	7,040
<b>Net book value</b>	
At 31 December 2017	4,160
At 31 December 2016	6,240

### 8. Stocks

	2017 £	2016 £
Finished goods and goods for resale	42,616	33,597
	42,616	33,597

### 9. Debtors

	2017 £	2016 £
Trade debtors	33,424	48,222
Other debtors	851	-
Called up share capital not paid	2	2
Prepayments and accrued income	1,106	1,423
	35,383	49,647

# COMDRONIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### 10. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	8,340	46,289
	<u>8,340</u>	<u>46,289</u>

### 11. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	7,476	6,012
Corporation tax	24,910	30,076
Other taxation and social security	-	5,062
Other creditors	45,168	92,500
Accruals and deferred income	2,644	1,919
	<u>80,198</u>	<u>135,569</u>

### 12. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Other creditors	-	64,668
	<u>-</u>	<u>64,668</u>

### 13. Deferred taxation

	2017 £
At beginning of year	(1,061)
Charged to profit or loss	354
At end of year	<u>(707)</u>

# COMDRONIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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### 13. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Other item	(707)	(1,061)
	<u>(707)</u>	<u>(1,061)</u>

### 14. Commitments under operating leases

At 31 December 2017 the company had future minimum lease payments under non cancellable operating leases of £24,935 (2016: £25,586).