

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2020

FOR

Embedded It Limited

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for the Year Ended 31 May 2020

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Embedded It Limited

COMPANY INFORMATION
for the Year Ended 31 May 2020

DIRECTOR:

PR Clark

REGISTERED OFFICE:

4500 Parkway
Solent Business Park
Whiteley
Fareham
Hampshire
PO15 7AZ

REGISTERED NUMBER:

09054394 (England and Wales)

ACCOUNTANTS:

Parry Hancock
Chartered Accountants
Webb House
20 Bridge Road
Park Gate
Southampton
Hampshire
SO31 7GE

BALANCE SHEET**31 May 2020**

	Notes	31.5.20 £	£	31.5.19 £	£
FIXED ASSETS					
Tangible assets	4		16,539		6,439
CURRENT ASSETS					
Debtors	5	14,652		35,361	
Cash at bank		<u>5,701</u>		<u>8,973</u>	
		20,353		44,334	
CREDITORS					
Amounts falling due within one year	6	<u>10,859</u>		<u>43,266</u>	
NET CURRENT ASSETS			9,494		1,068
TOTAL ASSETS LESS CURRENT LIABILITIES			26,033		7,507
CREDITORS					
Amounts falling due after more than one year	7		(20,000)		(14,776)
PROVISIONS FOR LIABILITIES			(3,142)		(1,223)
NET ASSETS/(LIABILITIES)			2,891		(8,492)
CAPITAL AND RESERVES					
Called up share capital			2		2
Retained earnings		<u>2,889</u>		<u>(8,494)</u>	
SHAREHOLDERS' FUNDS		<u>2,891</u>		<u>(8,492)</u>	

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 May 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 May 2020 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

BALANCE SHEET - continued
31 May 2020

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the director and authorised for issue on 23 June 2020 and were signed by:

PR Clark - Director

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 May 2020

1. STATUTORY INFORMATION

Embedded It Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going Concern & Coronavirus

As at the company's year-end, 31 May 2020, the UK had passed through what was considered to be the peak of the Coronavirus pandemic and lockdown restrictions were starting to ease. The director does not consider that any adjustments are necessary to the financial statements as a result of the existence of the Covid-19 virus.

Where necessary staff were placed on furlough under the Coronavirus Job Retention Scheme.

The director believes that the company will continue to trade profitably beyond the current crisis with contracts continuing for the foreseeable future. Together with the Government's measures under the Covid-19: Support for Business initiatives the company has appropriate resources to sustain any short term economic impact.

Over the next 12 months the Director expects to see income generated from web platforms which should expand over the next financial year to increase the profitability generated by this part of the business.

Revenue recognition

Revenue - described as turnover - is the value of work (net of VAT) performed during the year with respect to services plus any expenses reimbursed by customers.

Tangible fixed assets

The cost of tangible fixed assets includes only expenditure directly incurred in bringing the assets into working condition for their intended use. Both the cost of replacing major components and the cost of major inspections are capitalised. Borrowing costs are not capitalised. Depreciation is provided at the following annual rates in order to allocate the depreciable amount of each asset over its estimated useful life.

Plant & Machinery - 33% on cost
Fixtures and fittings - 25% on cost
Computer equipment - 33% on cost

Assets held under finance leases are depreciated in the same way as owned assets.

At each balance sheet date, the company reviews the carrying amount of its tangible fixed assets to determine whether there is any indication that any items 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 the asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Financial instruments

The company only enters into basic financial instruments 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.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2020

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at the transaction price.

Provisions

Provisions are set up only where it is probable that a present obligation exists as a result of an event prior to the balance sheet date and that a payment will be required in settlement that can be estimated reliably. Where material, provisions are calculated on a discounted basis.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 4 (2019 - 4) .

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2020

4. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 June 2019	8,131	2,000	6,537	16,668
Additions	14,123	268	1,855	16,246
At 31 May 2020	22,254	2,268	8,392	32,914
DEPRECIATION				
At 1 June 2019	4,063	2,000	4,166	10,229
Charge for year	4,685	28	1,433	6,146
At 31 May 2020	8,748	2,028	5,599	16,375
NET BOOK VALUE				
At 31 May 2020	13,506	240	2,793	16,539
At 31 May 2019	4,068	-	2,371	6,439

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.5.20	31.5.19
	£	£
Trade debtors	7,840	26,411
Other debtors	6,812	8,950
	<u>14,652</u>	<u>35,361</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.5.20	31.5.19
	£	£
Bank loans and overdrafts	516	3,149
Trade creditors	257	18,117
Taxation and social security	5,621	11,085
Other creditors	4,465	10,915
	<u>10,859</u>	<u>43,266</u>

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.5.20	31.5.19
	£	£
Bank loans	20,000	-
Other creditors	-	14,776
	<u>20,000</u>	<u>14,776</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 May 2020

8. SECURED DEBTS

The following secured debts are included within creditors:

	31.5.20	31.5.19
	£	£
Other loans	<u>-</u>	<u>24,606</u>

The loan that was outstanding in the prior year was secured by way of personal guarantee provided by the director, Mr PR Clark. This loan was refinanced during the year via a Government Bounce Back loan.

The loan outstanding at 31 May 2020 is a Government backed Bounce Back loan. Repayments commence in May 2021.

9. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 May 2020 and 31 May 2019:

	31.5.20	31.5.19
	£	£
PR Clark		
Balance outstanding at start of year	5,592	7,367
Amounts advanced	15,453	24,377
Amounts repaid	(16,133)	(26,152)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>4,912</u>	<u>5,592</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.