

Company Registration No. 03112883 (England and Wales)

**EDW Technology Limited**

**Financial statements  
for the year ended 31 October 2019**

**Pages for filing with the Registrar**



**EDW Technology Limited**

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EDW Technology Limited

Statement of financial position

As at 31 October 2019

	Notes	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	4		1,046,277		1,170,483
<b>Current assets</b>					
Debtors	5	2,256,987		1,859,253	
Cash at bank and in hand		2,224,959		1,912,268	
		<u>4,481,946</u>		<u>3,771,521</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(435,690)</u>		<u>(493,014)</u>	
<b>Net current assets</b>			<u>4,046,256</u>		<u>3,278,507</u>
<b>Total assets less current liabilities</b>			<u>5,092,533</u>		<u>4,448,990</u>
<b>Provisions for liabilities</b>			-		<u>(14,688)</u>
<b>Net assets</b>			<u>5,092,533</u>		<u>4,434,302</u>
<b>Capital and reserves</b>					
Called up share capital	7		100		100
Profit and loss reserves			5,092,433		4,434,202
<b>Total equity</b>			<u>5,092,533</u>		<u>4,434,302</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 10/02/2020 and are signed on its behalf by:

*S. J. Miles*

Simon Miles  
Director

Company Registration No. 03112883

## **1 Accounting policies**

### **Company information**

EDW Technology Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3 Radian Court, Knowlhill, Milton Keynes, MK5 8PJ.

### **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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of EDW Technology Holdings Limited. These consolidated financial statements are available from its registered office, 3 Radian Court, Knowlhill, Milton Keynes, MK5 8PJ.

### **1.2 Turnover**

Turnover represents amounts receivable for consultancy and software development, licencing, and support net of VAT and trade discounts.

### **1.3 Research and development expenditure**

Research and development expenditure is written off against profits in the year in which it is incurred.

### **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.

Notes to the financial statements (continued)

For the year ended 31 October 2019

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**1 Accounting policies (continued)**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	4% straight line
Fixtures, fittings & equipment	25% straight line
Computer equipment	33% straight line

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 credited or charged to profit or loss.

**1.5 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible 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 Cash at bank and in hand**

Cash and cash equivalents are basic financial assets and 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.

**1.7 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 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. Financial assets classified as receivable within one year are not amortised.

**1 Accounting policies (continued)**

***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***

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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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.

**1.8 Equity instruments**

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

**1.9 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 income statement 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.

**1 Accounting policies (continued)**

***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.

**1.10 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.

**1.11 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.

**1.12 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

**2 Employees**

The average monthly number of persons (including directors) employed by the company during the year was 46 (2018 - 46).

## Notes to the financial statements (continued)

For the year ended 31 October 2019

**3 Directors' remuneration and dividends**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Remuneration paid to directors	584,914	624,895

**4 Tangible fixed assets**

	<b>Land and buildings</b>	<b>Plant and machinery etc</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 November 2018	1,841,355	1,037,061	2,878,416
Additions	1,930	25,096	27,026
Disposals	(117,192)	(682,525)	(799,717)
Transfers	(43,786)	43,786	-
At 31 October 2019	1,682,307	423,418	2,105,725
<b>Depreciation and impairment</b>			
At 1 November 2018	820,746	887,187	1,707,933
Depreciation charged in the year	71,669	79,563	151,232
Eliminated in respect of disposals	(117,192)	(682,525)	(799,717)
Transfers	(35,011)	35,011	-
At 31 October 2019	740,212	319,236	1,059,448
<b>Carrying amount</b>			
At 31 October 2019	942,095	104,182	1,046,277
At 31 October 2018	1,020,609	149,874	1,170,483

## Notes to the financial statements (continued)

For the year ended 31 October 2019

5 Debtors	2019	2018
Amounts falling due within one year:	£	£
Trade debtors	391,063	469,256
Corporation tax recoverable	49,579	-
Amounts owed by group undertakings	1,503,280	1,264,969
Other debtors	213,217	125,028
	<u>2,157,139</u>	<u>1,859,253</u>
	2019	2018
Amounts falling due after more than one year:	£	£
Deferred tax asset	99,848	-
	<u>99,848</u>	<u>-</u>
<b>Total debtors</b>	<u>2,256,987</u>	<u>1,859,253</u>
	2019	2018
6 Creditors: amounts falling due within one year	£	£
Trade creditors	59,460	126,480
Corporation tax	-	14,192
Other taxation and social security	273,502	246,671
Other creditors	102,728	105,671
	<u>435,690</u>	<u>493,014</u>
	2019	2018
7 Called up share capital	£	£
Ordinary share capital		
Issued and fully paid		
10,000 Ordinary shares of 1p each	<u>100</u>	<u>100</u>

**8 Audit report information**

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Peter Harker.

The auditor was Saffery Champness LLP.

**9 Operating lease commitments**

**Lessee**

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

	2019	2018
	£	£
	39,051	75,884
	<u>39,051</u>	<u>75,884</u>

**10 Related party transactions**

The company has taken advantage of the exemption available in FRS 102 section 33.1A from disclosing transactions with the ultimate parent company or any wholly owned subsidiary undertakings of the group.

**11 Parent company**

EDW Employee Ownership Trustees Limited, a company registered in England & Wales, is the immediate parent undertaking, and its directors are the ultimate controlling party of EDW Technology Limited. The registered office of EDW Employee Ownership Trustees Limited is 3 Radian Court, Knowlhill, Milton Keynes, MK5 8PJ.