

**TECALEMIT GARAGE EQUIPMENT COMPANY LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**



# **TECALEMIT GARAGE EQUIPMENT COMPANY LIMITED**

## **COMPANY INFORMATION**

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<b>DIRECTORS</b>	J R Devonport P H Cledwyn E Zanini B Levin (appointed 11 January 2019)
<b>COMPANY SECRETARY</b>	J R Devonport
<b>REGISTERED NUMBER</b>	01099738
<b>REGISTERED OFFICE</b>	Unit 2, Eagle Road Langage Business Park Plymouth Devon PL7 5JY
<b>INDEPENDENT AUDITORS</b>	Bishop Fleming Bath Limited Chartered Accountants & Statutory Auditors Minerva House Lower Bristol Road Bath BA2 9ER
<b>BANKERS</b>	Lloyds Bank Plc 8 Royal Parade Plymouth Devon PL1 1LX

# **TECALEMIT GARAGE EQUIPMENT COMPANY LIMITED**

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## **TECALEMIT GARAGE EQUIPMENT COMPANY LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **BUSINESS REVIEW**

The principal activities of the Company during the year continued to be the manufacture, supply and servicing of garage equipment.

As shown in the Company's profit and loss account on page 8, the Company has seen another year of increased turnover, which has, in part, been achieved through the a significant increase in the sales of emission testing equipment and associated software updates. The company experienced further expansion of the after-sales support function, brought about through investment in technical competence and know-how.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The management of the business and the execution of the Company's strategy are subject to a number of risks.

The key operational risks and uncertainties affecting the Company relate to the general economic environment and its effect on our customer base, together with competition from other garage equipment distributors.

##### **Financial risk management**

###### **Credit risk**

Credit risk is managed by routine credit checking and by credit insurance on customers with significant turnover.

###### **Foreign exchange risk**

Excessive rate fluctuations on foreign exchange transactions are managed primarily by way of rolling forward contracts.

###### **Liquidity risk**

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses short-term debt financing.

###### **Interest rate risk**

The Company has very low interest rate risk. The directors consider that no hedging facility is required.

The Company actively monitors its finances to ensure that it has sufficient available funds for its operations.

#### **FINANCIAL KEY PERFORMANCE INDICATORS**

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPI's, other than monitoring of turnover and trading surplus, is not necessary for an understanding of the development, performance or position of the business.

This report was approved by the board on *14th April 2019* and signed on its behalf.



**J R Devonport**  
Director

## **TECALEMIT GARAGE EQUIPMENT COMPANY LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018**

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The directors present their report and the financial statements for the year ended 31 December 2018.

#### **PRINCIPAL ACTIVITY**

The principal activities of the company during the year continued to be the manufacture supply and servicing of garage equipment.

#### **RESULTS AND DIVIDENDS**

The loss for the year, after taxation, amounted to £148,346 (2017: loss £59,412).

#### **DIRECTORS**

The directors who served during the year were:

J R Devonport  
P H Cledwyn  
E Zanini

#### **FUTURE DEVELOPMENTS**

The Company develops commercial activity through continual investment in the business equipment sales with the expansion of new product lines and equipment brands, resulting in a wider product range and increased sales. Further expansion to the product portfolio and equipment brands, through products available from the group, is envisaged for 2019.

The after-sales service division provides an increasing number of services on numerous equipment brands. The extension of the after-sales department skill base in conjunction with continuous investment in IT technology improves efficiency and customer service levels and further expansion on this activity will take place during the coming year.

#### **MATTERS COVERED IN THE STRATEGIC REPORT**

The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 requires a Strategic Report to be prepared. Where mandatory disclosures in the Directors' Report are considered by the directors to be of strategic importance, these have been included within the Strategic Report rather than the Directors' Report.

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **POST BALANCE SHEET EVENTS**

There are no post balance sheet events.

**TECALEMIT GARAGE EQUIPMENT COMPANY LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**AUDITORS**

The auditors, Bishop Fleming Bath Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



**J R Devonport**  
Director

Date: 4<sup>th</sup> April 2019

Unit 2, Eagle Road  
Langage Business Park  
Plymouth  
Devon  
PL7 5JY

## **TECALEMIT GARAGE EQUIPMENT COMPANY LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018**

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The directors are responsible for preparing the Strategic report, 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 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;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

## **TECALEMIT GARAGE EQUIPMENT COMPANY LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TECALEMIT GARAGE EQUIPMENT COMPANY LIMITED**

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#### **OPINION**

We have audited the financial statements of Tecalemit Garage Equipment Company Limited (the 'company') for the year ended 31 December 2018, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **CONCLUSIONS RELATING TO GOING CONCERN**

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

- 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.

#### **OTHER INFORMATION**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.



## **TECALEMIT GARAGE EQUIPMENT COMPANY LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TECALEMIT GARAGE EQUIPMENT COMPANY LIMITED (CONTINUED)**

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#### **OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

#### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

#### **RESPONSIBILITIES OF DIRECTORS**

As explained more fully in the Directors' responsibilities statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**TECALEMIT GARAGE EQUIPMENT COMPANY LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TECALEMIT GARAGE EQUIPMENT COMPANY LIMITED (CONTINUED)**

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**USE OF OUR REPORT**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'Bishop Fleming LLP', with a horizontal line drawn underneath it.

Simon Morrison FCA (Senior statutory auditor)  
for and on behalf of

**Bishop Fleming Bath Limited**

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

5 April 2019

**TECALEMIT GARAGE EQUIPMENT COMPANY LIMITED**

**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Turnover	4	14,727,004	14,279,725
Cost of sales		(7,405,371)	(7,615,671)
<b>GROSS PROFIT</b>		<b>7,321,633</b>	<b>6,664,054</b>
Distribution costs		(5,365,112)	(4,874,555)
Administrative expenses		(1,878,851)	(1,786,289)
<b>EBITDA</b>		<b>77,670</b>	<b>3,210</b>
Depreciation		(81,618)	(42,162)
Amortisation		(73,684)	-
<b>OPERATING LOSS</b>	5	<b>(77,632)</b>	<b>(38,952)</b>
Interest payable and expenses	8	(34,517)	(20,460)
<b>LOSS BEFORE TAX</b>		<b>(112,149)</b>	<b>(59,412)</b>
Tax on loss	9	(36,197)	-
<b>LOSS AFTER TAX</b>		<b>(148,346)</b>	<b>(59,412)</b>
Retained earnings at the beginning of the year		3,133,178	3,192,590
Loss for the year		(148,346)	(59,412)
<b>RETAINED EARNINGS AT THE END OF THE YEAR</b>		<b>2,984,832</b>	<b>3,133,178</b>

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of income and retained earnings.

The notes on pages 10 to 24 form part of these financial statements.

**TECALEMIT GARAGE EQUIPMENT COMPANY LIMITED**  
**REGISTERED NUMBER:01099738**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**

	Note	2018 £	2018 £	2017 £	2017 £
<b>FIXED ASSETS</b>					
Intangible assets	10		294,733		368,417
Tangible assets	11		415,751		81,281
			<u>710,484</u>		<u>449,698</u>
<b>CURRENT ASSETS</b>					
Stocks	12	2,297,264		2,089,223	
Debtors: amounts falling due within one year	13	4,250,313		4,922,312	
Cash at bank and in hand	14	44,696		32,924	
		<u>6,592,273</u>		<u>7,044,459</u>	
Creditors: amounts falling due within one year	15	(3,568,094)		(3,860,979)	
<b>NET CURRENT ASSETS</b>			<u>3,024,179</u>		<u>3,183,480</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,734,663</u>		<u>3,633,178</u>
Creditors: amounts falling due after more than one year			(249,831)		
<b>NET ASSETS</b>			<u>3,484,832</u>		<u>3,633,178</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		500,000		500,000
Profit and loss account	19		2,984,832		3,133,178
			<u>3,484,832</u>		<u>3,633,178</u>

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



**J R Devonport**  
Director

Date: 4<sup>th</sup> Apr / 2019

The notes on pages 10 to 24 form part of these financial statements.

## **TECALEMIT GARAGE EQUIPMENT COMPANY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **1. GENERAL INFORMATION**

The company is a private company, limited by shares and incorporated in England and Wales. The registered office and principal place of business is Unit 2, Eagle Road, Langage Business Park, Plymouth, Devon, PL7 5JY.

#### **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 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 (see note 3).

The following principal accounting policies have been applied:

##### **2.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Werther International S.p.A. as at 31 December 2018 and these financial statements may be obtained from Via F. Brunelleschi 12, 42124, Cade, Reggio Emilia, Italy.

##### **2.3 GOING CONCERN**

As at 31 December 2018, the company has net current assets of £3,024,179 (2017: £3,183,430) and current assets due from related parties amount to £2,181,097 (2017: £2,181,097).

The company has made a loss of £148,346 (2017: £59,412) and has net assets at 31 December 2018 of £3,484,832 (2017: £3,633,178). The directors consider the going concern basis of preparation to be appropriate based on the forecast profits and the continued support of the group.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**2. ACCOUNTING POLICIES (continued)**

**2.4 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.

**2.5 INTANGIBLE ASSETS**

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 Statement of Income and Retained Earnings over its useful economic life of 5 years.

**2.6 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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**2. ACCOUNTING POLICIES (continued)**

**2.6 TANGIBLE FIXED ASSETS (CONTINUED)**

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, machinery, fixtures & fittings	- 10% to 33% on cost
Motor vehicles	- 29% on cost

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 Statement of Income and Retained Earnings.

**2.7 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 first in, first out basis.

At each reporting 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.

**2.8 FOREIGN CURRENCY TRANSLATION**

**Functional and presentation currency**

The company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

**2.9 BORROWING COSTS**

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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2. ACCOUNTING POLICIES (continued)

2.10 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, 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 reporting 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 Statement of Financial Position 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 reporting date.

2.11 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

2.12 LEASED ASSETS: THE COMPANY AS LESSEE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Income and Retained Earnings so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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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 Statement of Income and Retained Earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.14 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 and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Statement of Income and Retained Earnings.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

**Forward contracts**

The company has entered into forward contract agreements to manage its exposure to foreign exchange rate fluctuations when purchasing stock from overseas. These contracts are measured at fair value at each reporting date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**
**3. JUDGEMENTS 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 significant judgements and estimates have been made include:

**Deferred tax**

The Company recognises a deferred tax asset in relation to prior year losses carried forward. Management have assessed the year end carrying value and concluded, based on forecast trading, that the asset will be fully utilised in due course.

**Stock provision**

The year end stock provision seeks to provide against any old, slow moving or damaged stock. Management perform a detailed assessment of the stock and considers ageing reports in establishing this provision.

**Debtor provision**

The Company recognises a provision against potential bad debts. Management consider the ageing profile and known concerns over recoverability when establishing this provision.

**Warranty provision**

The Company recognises a provision against future warranty claims in relation to products sold during the year. Management assess the historic warranty claim and apply this knowledge in estimating the year end provision.

**4. TURNOVER**

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Goods	10,266,896	10,871,420
Services	4,460,108	3,408,305
	<b>14,727,004</b>	<b>14,279,725</b>

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	13,943,980	13,619,584
Rest of Europe	545,113	396,801
Rest of the world	237,911	263,340
	<b>14,727,004</b>	<b>14,279,725</b>

# TECALEMIT GARAGE EQUIPMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 5. OPERATING LOSS

The operating loss is stated after charging:

	2018 £	2017 £
Research & development charged as an expense	721	-
Depreciation of tangible fixed assets	81,618	42,162
Amortisation of intangible assets, including goodwill	73,684	-
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	10,500	10,500
Exchange differences	(35,702)	(27,048)
Operating lease rentals - plant and machinery	321,022	342,847
Operating lease rentals - property	177,690	164,173
Defined contribution pension cost	109,605	86,949
Loss/(Profit) on sale of assets	696	(729)

### 6. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2018 £	2017 £
Wages and salaries	3,919,857	3,615,514
Social security costs	389,829	344,480
Cost of defined contribution scheme	109,605	86,949
	<b>4,419,291</b>	<b>4,046,943</b>

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Production & Sales	122	113
Management & Administration	9	9
	<b>131</b>	<b>122</b>

**TECALEMIT GARAGE EQUIPMENT COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**7. DIRECTORS' REMUNERATION**

	2018 £	2017 £
Directors' emoluments	277,254	274,766
Company contributions to defined contribution pension schemes	11,553	9,933
	<u>288,807</u>	<u>284,699</u>

During the year retirement benefits were accruing to 2 directors (2017: 2) in respect of defined contribution pension schemes. The highest paid director received remuneration of £164,084 (2017: £164,401). The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £7,203 (2017: £7,077).

**8. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2018 £	2017 £
Bank interest payable	27,221	20,460
Finance leases and hire purchase contracts	7,296	-
	<u>34,517</u>	<u>20,460</u>

**9. TAXATION**

	2018 £	2017 £
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	36,197	-
<b>TOTAL DEFERRED TAX</b>	<u>36,197</u>	<u>-</u>
<b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	<u>36,197</u>	<u>-</u>

**TECALEMIT GARAGE EQUIPMENT COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**9. TAXATION (CONTINUED)**

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are explained below:

	2018 £	2017 £
Loss on ordinary activities before tax	<b>(112,149)</b>	<b>(59,412)</b>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%)	<b>(21,308)</b>	<b>(11,437)</b>
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>589</b>	<b>1,895</b>
Short term timing difference leading to an increase (decrease) in taxation	<b>2,461</b>	<b>(666)</b>
Deferred tax not recognised	<b>54,455</b>	<b>10,208</b>
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	<b>36,197</b>	<b>-</b>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges.

**TECALEMIT GARAGE EQUIPMENT COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**10. INTANGIBLE ASSETS**

	<b>Goodwill £</b>
<b>COST</b>	
At 1 January 2018	<b>368,417</b>
At 31 December 2018	<b>368,417</b>
<b>AMORTISATION</b>	
Charge for the year	<b>73,684</b>
At 31 December 2018	<b>73,684</b>
<b>NET BOOK VALUE</b>	
At 31 December 2018	<b>294,733</b>
At 31 December 2017	<b>368,417</b>

**TECALEMIT GARAGE EQUIPMENT COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**11. TANGIBLE FIXED ASSETS**

	Plant, machinery, fixtures & fittings £	Motor vehicles £	Total £
<b>COST</b>			
At 1 January 2018	367,792		367,792
Additions	78,143	338,739	416,882
Disposals	(24,679)		(24,679)
At 31 December 2018	421,256	338,739	759,995
<b>DEPRECIATION</b>			
At 1 January 2018	286,511		286,511
Charge for the year on owned assets	51,832		51,832
Charge for the year on financed assets		29,785	29,785
Disposals	(23,884)		(23,884)
At 31 December 2018	314,459	29,785	344,244
<b>NET BOOK VALUE</b>			
At 31 December 2018	106,797	308,954	415,751
At 31 December 2017	81,281		81,281

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £	2017 £
Motor vehicles	308,954	
	308,954	

# TECALEMIT GARAGE EQUIPMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 12. STOCKS

	2018 £	2017 £
Finished goods and goods for resale	<b>2,297,264</b>	2,089,223

Stock recognised in cost of sales during the year as an expense, including movements on provisions, amount to £7,193,712 (2017: £7,394,827).

### 13. DEBTORS

	2018 £	2017 £
Trade debtors	<b>1,676,900</b>	2,270,233
Amounts owed by group undertakings	<b>2,181,097</b>	2,181,097
Prepayments and accrued income	<b>181,895</b>	224,365
Deferred taxation	<b>210,421</b>	246,618
	<b>4,250,313</b>	4,922,313

An impairment loss of £51,195 (2017: £72,860) has been recognised against trade debtors.

The amounts owed by Group undertakings are due on demand and interest free.

### 14. CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	<b>44,696</b>	32,924
Less: bank overdrafts	<b>(629,641)</b>	(597,489)
	<b>(584,945)</b>	(564,565)



**TECALEMIT GARAGE EQUIPMENT COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Bank overdrafts	629,641	597,489
Trade creditors	1,209,137	1,509,329
Other taxation and social security	397,042	464,301
Obligations under finance lease and hire purchase contracts	59,318	-
Other creditors	428,062	555,606
Accruals and deferred income	844,894	734,254
	<b>3,568,094</b>	<b>3,860,979</b>

Bank overdrafts are secured against the trade debtors of the Company.

Obligations under finance lease and hire purchase contracts are secured against the assets in which they relate.

**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2018 £	2017 £
Net obligations under finance leases and hire purchase contracts	249,831	-
	<b>249,831</b>	<b>-</b>

Net obligations under finance lease and hire purchase contracts are secured against the assets in which they relate.

**17. HIRE PURCHASE AND FINANCE LEASES**

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	59,318	-
Between 1-5 years	249,831	-
	<b>309,149</b>	<b>-</b>

**TECALEMIT GARAGE EQUIPMENT COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**18. SHARE CAPITAL**

	2018 £	2017 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
500,000 (2017: 500,000) Ordinary shares of £1.00 each	<b>500,000</b>	500,000

**19. RESERVES**

**Profit and loss account**

Includes all current and prior period retained profits and losses. All are considered distributable.

**20. PENSION COMMITMENTS**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £109,605 (2017: £86,949). Contributions totalling £19,635 (2017: £14,941) were payable to the fund at the reporting date.

**21. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	86,250	86,250
Later than 1 year and not later than 5 years	323,438	345,000
Later than 5 years	-	64,688
<b>Total land and buildings</b>	<b>409,688</b>	495,938

	2018 £	2017 £
Not later than 1 year	147,239	189,276
Later than 1 year and not later than 5 years	70,154	159,083
<b>Total other</b>	<b>217,393</b>	348,359

# TECALEMIT GARAGE EQUIPMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 22. DEFERRED TAXATION

	2018 £	2017 £
At beginning of year	246,618	246,618
Charged to profit or loss	(36,197)	-
<b>AT END OF YEAR</b>	<b>210,421</b>	<b>246,618</b>

The deferred tax asset is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	16,158	47,493
Tax losses carried forward	185,455	195,854
Other short term timing differences	8,808	3,271
	<b>210,421</b>	<b>246,618</b>

### 23. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption allowed under FRS 102 Related Party Disclosures not to disclose related party transactions with members of the Group as it is a 100% subsidiary of a company for which consolidated financial statements are publicly available.

#### Key management personnel

All directors and certain senior employees who have authority and responsibility for planning, directing, and controlling the activities of the company are considered to be key management personnel. Total compensation in respect of these individuals is detailed in Note 7.

### 24. CONTROLLING PARTY

The immediate parent undertaking is Bronze Golf Limited, a company incorporated within the UK.

Werther International SpA is the parent undertaking of the largest group to consolidate these financial statements. The consolidated financial statements of Werther International SpA may be obtained from Via F. Brunelleschi 12, 42124, Cade, Reggio Emilia, Italy.

The ultimate parent company is Stargate Capital GmbH.

There is no ultimate controlling party.