

Company Registration No. 00832429 (England and Wales)

CHELSEA TECHNOLOGIES LIMITED
FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2021
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CHELSEA TECHNOLOGIES LIMITED

BALANCE SHEET

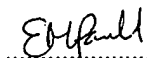
AS AT 31 DECEMBER 2021

		31 December 2021		31 March 2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	4		324,506		251,108
Current assets					
Stocks		1,721,417		1,431,611	
Debtors	5	1,588,786		1,844,133	
Cash at bank and in hand		1,342,246		1,641,807	
		<u>4,652,449</u>		<u>4,917,551</u>	
Creditors: amounts falling due within one year	6	<u>(2,301,680)</u>		<u>(2,553,000)</u>	
Net current assets			<u>2,350,769</u>		<u>2,364,551</u>
Total assets less current liabilities			<u>2,675,275</u>		<u>2,615,659</u>
Provisions for liabilities			<u>(150,000)</u>		<u>(150,000)</u>
Net assets			<u><u>2,525,275</u></u>		<u><u>2,465,659</u></u>
Capital and reserves					
Called up share capital	9		50,000		50,000
Profit and loss reserves			<u>2,475,275</u>		<u>2,415,659</u>
Total equity			<u><u>2,525,275</u></u>		<u><u>2,465,659</u></u>

The directors of the company have elected not to include a copy of the profit and loss account 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 on31/08/2022... and are signed on its behalf by:



E M Paull
Director

Company Registration No. 00832429

CHELSEA TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Chelsea Technologies Limited is a private company limited by shares incorporated in England and Wales. The registered office is 55 Central Avenue, West Molesey, Surrey, United Kingdom, KT8 2QZ.

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. The principal accounting policies adopted are set out below.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

However, not all future events or conditions can be predicted, and given the current context of COVID-19 pandemic, this statement is not a guarantee as to the company's ability to continue as a going concern. In particular, it is difficult to evaluate all the potential implications on the company's trade, customers, suppliers and the wider economy. The directors have considered the impact COVID-19 has had on the company and, although there has been some reduction and delays in business in the Marine market due to COVID-19, the situation is beginning to recover and the directors believe the financial impact has been minimal. The factory has continued to operate in a Covid-secure manner during the lockdown period enabling an uninterrupted supply of products and services to customers. Management has taken active steps to mitigate the impact of any future reduction in revenues and protect the cash flow of the company.

1.3 Reporting period

The current year financial statements were prepared for a period of nine months from 1 April 2021 to 31 December 2021. This was a short period in order to bring the year end in line with other group companies.

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and other trade discounts. Revenue in respect of equipment sales and system sales is recognised when goods have been dispatched to the customers in accordance with the sales agreement.

1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

CHELSEA TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and building leasehold	Straight line over the lease period
Plant and machinery	Varying between 15% reducing balance and straight line over the life of the lease as relevant
Fixtures and fittings	15% reducing balance
Computer equipment	25% reducing balance

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.

1.7 Impairment of fixed assets

At each reporting date, the company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in the income statement.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment is recognised immediately in the income statement.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Costs includes all direct expenditure and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks have been valued at the lower of cost and the estimated selling price less costs to sell.

In respect of work in progress and finished goods, costs include a relevant proportion of overheads dependent on the stage of completion.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in bank and in hand and other short-term liquid investments with original maturities of three months or less.

CHELSEA TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.10 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 balance sheet when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, 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.

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 creditors, bank loans and loans from fellow group companies 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. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 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 profit and loss account 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.

CHELSEA TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2021

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. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. 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.

1.12 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 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.

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

CHELSEA TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Stock provision

Obsolete stock is fully provided for.

Dilapidation costs

The provision for dilapidation costs represents the directors' best estimates of costs expected to be incurred at the end of the lease to restore and repair the property based on the property's conditions at the balance sheet date.

3 Employees

The average monthly number of persons (including directors) employed by the company during the nine month period was:

	31 December 2021 Number	31 March 2021 Number
Total	49	44

CHELSEA TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2021

4 Tangible fixed assets

	Land and building leasehold	Plant and machinery	Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 April 2021	50,652	702,405	284,983	579,184	1,617,224
Additions	79,879	27,356	10,985	10,395	128,615
At 31 December 2021	130,531	729,761	295,968	589,579	1,745,839
Depreciation and impairment					
At 1 April 2021	50,652	609,289	233,007	473,168	1,366,116
Depreciation charged in the nine month period	15,976	10,754	7,324	21,163	55,217
At 31 December 2021	66,628	620,043	240,331	494,331	1,421,333
Carrying amount					
At 31 December 2021	63,903	109,718	55,637	95,248	324,506
At 31 March 2021	-	93,116	51,976	106,016	251,108

5 Debtors

	31 December 2021	31 March 2021
	£	£
Amounts falling due within one year:		
Trade debtors	1,134,810	1,299,620
Corporation tax recoverable	21,995	-
Amounts owed by group undertakings	69,842	69,842
Other debtors	2,723	8,453
Prepayments and accrued income	121,416	228,218
Deferred tax asset (note 7)	1,350,786	1,606,133
	238,000	238,000
	1,588,786	1,844,133

Included within trade debtors is an amount of £299,484 (31 March 2021 - £94,003) which relates to payments on account to suppliers.

CHELSEA TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2021

6 Creditors: amounts falling due within one year

	31 December 2021 £	31 March 2021 £
Trade creditors	340,943	550,240
Amounts owed to group undertakings	1,127,459	1,252,345
Corporation tax	-	15,369
Other taxation and social security	66,388	53,805
Other creditors	-	1,628
Accruals and deferred income	766,890	679,613
	<u>2,301,680</u>	<u>2,553,000</u>

Included within trade creditors is an amount of £206,431 (31 March 2021 - £379,355) which relates to customer deposits.

7 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 31 December 2021 £	Assets 31 March 2021 £
Balances:		
Tax losses	238,000	238,000
	<u>238,000</u>	<u>238,000</u>

There were no deferred tax movements in the nine month period.

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period.

8 Retirement benefit schemes

	31 December 2021 £	31 March 2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	147,537	194,653
	<u>147,537</u>	<u>194,653</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

There were £13,830 (31 March 2021 - £32,000) of outstanding pension contributions at the year end.

CHELSEA TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2021

9 Called up share capital

	31 December 2021	31 March 2021
Ordinary share capital Issued and fully paid	£	£
Ordinary shares of £1 each	50,000	50,000

10 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 Robert Southey and the auditor was Azets Audit Services.

11 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:

	31 December 2021	31 March 2021
	£	£
	90,000	157,500

12 Parent company

The company's ultimate parent company is Sonardyne Holdings Limited, a company registered in England and Wales. This is also the largest group in which the results of the company are consolidated. Copies of the group financial statements of Sonardyne Holdings Limited are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

At the balance sheet date, the company's immediate parent was Covelya Group Limited (formerly known as Sonardyne Group Limited).