EWIE Europe Limited

Annual Report and Financial Statements

Year Ended

31 December 2019

Company Number 06777072

EWIE Europe Limited

Company Information

Directors	M K Sachdeva J Mullick A Sachdeva R Mullick
Registered number	06777072
Registered office	Number One Waterton Park Bridgend CF31 3PH
Independent auditor	BDO LLP Thames Tower Station Road Reading Berkshire RG1 1LX

EWIE Europe Limited

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EWIE Europe Limited

Strategic Report
For the Year Ended 31 December 2019

Business review

The company is a global leader in commodity management services. During 2019 EWIE Europe Limited experienced a downturn in sales after the first quarter of the year. The downturn was due to customers reducing production to meet lower sales forecasts. The company has maintained its margin, with a small uplift. Some overhead reduction was achieved resulting in profit for the year, though much reduced on the previous year.

The company has continued to explore other business opportunities for diversification and since the year end has signed a contract to supply its services to a large engineering company in the aerospace industry. These services will begin to be rolled out during 2020 with an expectation that all of this customer's sites will be operational with EWIE early in 2021.

Principal risks and uncertainties

General commercial risks

The company continues to identify trade receivables as a risk factor and this area demands constant monitoring and follow up. Receivable days have been maintained year on year.

COVID-19

An additional consideration, at the date of this strategic report, is the emergence of the coronavirus COVID-19. At this date much of the world is in lockdown and though the period of these lockdowns is generally specified, the likelihood of extensions is not currently known. Business commentators warn against governments against extending the period long term in expectation of the damage that the global economy would sustain.

Most of our customers' sites will be closed for approximately five weeks, it is not yet known whether this will be extended beyond this period, having been extended from an initial three weeks. We do note, however, that our main French customer reopened its plant for limited production on 30 March 2020. During the period of plant closures we are unable to generate sales and therefore this will have a significant impact on our results for 2020. At this time it is not possible to accurately forecast this impact nor is it possible to assess the impact on our supply chain.

At the balance sheet date the company had cash balances of £1,285,528 and net current assets of £959,456 which allowed it to enter the lockdowns in a relatively strong position.

During the period of reduced trading the company is taking steps to reduce its cost base. Employees based at customer sites have been furloughed during the periods of closure in line with government guidance in the countries in which we operate, namely UK, France, Germany and Romania. This has led to reduced cost and also attracts government subsidies at varying levels in each country.

Our current customers are mostly manufacturers of engines and transmissions for use in the manufacture of petrol and diesel motor vehicles. A small portion of our business relates to electric power generation which is deemed essential. It is not known what the impact of the current crisis will have on customer demand for such vehicles once the world begins to come out of lockdowns. The situation will be monitored continually.

The company has reviewed its short-term cash flow requirements and is able to weather the current closures based on existing working capital. The company has sufficient working capital to cover a further extension of at worst two months until external funding would be required. Such funding is available in part from government sources in the form of delayed tax payments and Coronavirus Business Interruption Loan Scheme (CBILS). The company is also in the process of arranging finance from its bankers who have so far been supportive of an application.

While forecasting in the current environment is difficult, we do expect our customers to reopen plants before undue stress is caused to the company's cash flow and financial position. The working capital impact of plants is in part mitigated by the respective payment terms agreed with customers and suppliers, but this will be further mitigated once the company has an invoice discounting facility in place.

Financial key performance indicators

The directors consider the following to be key performance indicators:

	2019	2018
Turnover	£31,211,578	£41,398,082
Gross profit	£3,915,476	£4,827,591
Gross profit margin	12.5%	11.7%
Receivable days (countback method)	55 days	55 days

Turnover declined for the last three quarters of the year due to a reduction in customer demand. The new customer recently contracted will have a positive impact on turnover for 2020 but a greater impact on 2021 as the company begins to provide its services to more of that customers' plants. Gross margin has been strengthened as customer and supplier relationships have matured. Receivable days have been maintained around the same level as 2018 through close management.

This report was approved by the board on April 24, 2020 and signed on its behalf.

M K Sachdeva
Director

EWIE Europe Limited

Directors' Report
For the Year Ended 31 December 2019

The directors present their report together with the audited financial statements for the year ended 31 December 2019.

Principal activity

During the year, the company's principal activity continued to be that of the provision of commodity management services.

Results and dividends

The profit for the year, after taxation, amounted to £101,248 (2018 - £658,538).

No dividends were paid or proposed during the financial year (2018 - £Nil).

Directors

The directors who served during the year were:

M K Sachdeva
J Mullick
A Sachdeva
R Mullick

Financial Instruments

Objectives and policies
The company has only basic financial instruments in the form of debtors and creditors repayable on demand.

Price risk, credit risk, liquidity risk and cash flow risk
The company's exposure to price risk, credit risk, liquidity risk and cash flow risk are all considered in the strategic report.

Going concern

At 31 December 2019 the company had net assets of £959,456 (2018 - £888,768).

The COVID-19 outbreak has been considered as part of the company's adoption of the going concern basis.

At this date much of the world is in lockdown and though the period of these lockdowns is generally specified, the likelihood of extensions is not currently known. Business commentators warn against governments against extending the period long term in expectation of the damage that the global economy would sustain.

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Post balance sheet events

The outbreak and unprecedented spread of the coronavirus pandemic across the globe has had a profound impact on local and global markets in a matter of weeks, and is expected to continue to shape the economic landscape for the immediate future. The directors continue to monitor closely the impact of unfolding events in order to respond swiftly to any consequential implications on the business. However the company has signed contracts with a major new customer which will have a significant impact on turnover in 2020 and more so from 2021 onwards.

Branches outside the UK

During the year the company also held operations in Germany, France and Romania.

Matters covered in the strategic report

The directors' fair review of the business and details of future developments are included in the strategic report as they are considered by the directors to be of strategic importance.

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Auditor

The auditor, BDO LLP, 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.

M K Sachdeva
Director

Date: April 24, 2020

Directors' Responsibilities Statement
For the Year Ended 31 December 2019

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). 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 judgements and accounting estimates that are reasonable and prudent;
- 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.

Independent Auditor's Report to the Members of EWIE Europe Limited

Opinion

We have audited the financial statements of EWIE Europe Limited ("the company") for the year ended 31 December 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, 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 2019 and of its profit 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 auditor's 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 UK, including the FRC'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.

Material uncertainty related to going concern

We draw attention to note 2.2 which indicates the possible effects of the COVID-19 pandemic on the ability of the company to continue as a going concern. As stated in note 2.2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 auditor's 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.

Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 and 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, 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.

Auditor's 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 auditor's 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 at the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 auditor's 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.

Daniel Henwood

Daniel Henwood (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Reading
United Kingdom

Date: 28 April 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

EWIE Europe Limited

Statement of Comprehensive Income
For the Year Ended 31 December 2019

	Note	2019 £	2018 £
Turnover	4	**31,211,578**	41,398,082
Cost of sales		**(27,296,102)**	(36,570,491)
Gross profit		**3,915,476**	4,827,591
Distribution costs		**(18,068)**	(18,949)
Administrative expenses		**(3,794,490)**	(3,952,079)
Other operating income		**36,709**	39,008
Operating profit	5	**139,627**	895,571
Interest payable and expenses		**-**	(29,781)
Profit before tax		**139,627**	865,790
Tax on profit	8	**(38,379)**	(207,252)
Profit for the financial year		**101,248**	658,538
Currency translation differences		**(30,560)**	7,674
Total comprehensive income for the year		**70,688**	666,212

The notes on pages 14 to 22 form part of these financial statements.

EWIE Europe Limited
Registered number: 06777072

Balance Sheet
As at 31 December 2019

	Note	2019 £	2019 £	2018 £	2018 £
Current assets					
Debtors: amounts falling due within one year	9	4,664,222		6,464,398	
Cash at bank and in hand		1,285,528		1,324,493	
		5,949,750		7,788,891	
Creditors: amounts falling due within one year	10	(4,990,294)		(6,900,123)	
Net assets			959,456		888,768
Capital and reserves					
Called up share capital	12		1,000		1,000
Profit and loss account			958,456		887,768
Total equity			959,456		888,768

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

M K Sachdeva
Director

Date: April 24 2020

The notes on pages 14 to 22 form part of these financial statements.

EWIE Europe Limited

Statement of Changes in Equity
For the Year Ended 31 December 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2018	1,000	221,556	222,556
Comprehensive income for the year			
Profit for the year	-	658,538	658,538
Currency translation differences	-	7,674	7,674
At 1 January 2019	1,000	887,768	888,768
Comprehensive income for the year			
Profit for the year	-	101,248	101,248
Currency translation differences	-	(30,560)	(30,560)
At 31 December 2019	1,000	958,456	959,456

The notes on pages 14 to 22 form part of these financial statements.

EWIE Europe Limited

Statement of Cash Flows
For the Year Ended 31 December 2019

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	**101,248**	658,538
Adjustments for:		
Interest paid	-	29,781
Taxation charge	**38,379**	207,252
Decrease in debtors	**1,684,888**	1,426,147
Decrease in creditors	**(1,693,563)**	(1,530,023)
Corporation tax paid	**(140,777)**	(251,839)
Foreign Exchange	**26,624**	(6,667)
Net cash generated from operating activities	**16,799**	533,189
Cash flows from financing activities		
Repayment of other loans	-	(359,621)
Net cash used in financing activities	-	(359,621)
Net increase in cash and cash equivalents	**16,799**	173,568
Cash and cash equivalents at beginning of year	**1,324,493**	1,140,221
Foreign exchange gains and losses	**(55,764)**	10,704
Cash and cash equivalents at the end of year	**1,285,528**	1,324,493
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**1,285,528**	1,324,493

The notes on pages 14 to 22 form part of these financial statements.

EWIE Europe Limited

Notes to the Financial Statements
For the Year Ended 31 December 2019

1. General information

EWIE Europe Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report.

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 judgement in applying the company's accounting policies (see note 3).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Going concern

At 31 December 2019 the company had net assets of £959,456 (2018 - £888,768).

The COVID-19 outbreak has been considered as part of the company's adoption of the going concern basis.

At this date much of the world is in lockdown and though the period of these lockdowns is generally specified, the likelihood of extensions is not currently known. Business commentators warn against governments against extending the period long term in expectation of the damage that the global economy would sustain.

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2. Accounting policies (continued)

2.2 Going concern (continued)

The company has reviewed its short term cash flow requirements and is able to weather the current closures based on existing working capital. The company has sufficient working capital to cover a further extension of at worst two months until external funding would be required. Such funding is available in part from government sources in the form of delayed tax payments and coronavirus Business Interruption Loan Scheme (CBILS). The company is also in the process of arranging finance from its bankers who have so far been supportive of an application.

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2.3 Foreign currency translation

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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented within 'other operating income'.

2.4 Branch accounting

The results of overseas branches are translated at the average rates of exchange during the year and the balance sheet is translated into sterling at the rate of exchange ruling at the balance sheet date. Exchange differences which arise from the translation of the opening net assets of foreign branches are recognised in other comprehensive income.

2. Accounting policies (continued)

2.5 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.

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.

The above conditions are considered to be met at the point of delivery to the customer, when substantially all risks and rewards of ownership have been transferred.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

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.

2.7 Debtors

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

2.8 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.

2.9 Creditors

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

2. Accounting policies (continued)

2.10 Current and deferred taxation

Tax is recognised in profit or loss, 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.

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

The directors have made no key judgements or estimates in preparing these financial statements.

4. Turnover

The whole of the turnover is attributable to the sale of goods.

Analysis of turnover by destination:

	2019 £	2018 £
United Kingdom	**13,624,806**	14,200,796
Rest of Europe	**17,586,772**	27,197,286
	31,211,578	41,398,082

5. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	**30,000**	27,500
Stock - cost of goods sold	**27,296,802**	36,565,131
Stock - provision	**52,196**	59,305
Exchange differences	**44,104**	38,156

6. Employees

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	**1,679,014**	1,849,274
Social security costs	**264,089**	212,310
Cost of defined contribution scheme	**70,792**	16,948
	2,013,895	2,078,532

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

	2019 No.	2018 No.
Management	**11**	11
Engineers	**9**	9
Administration	**14**	14
Shipping and receiving	**4**	4
	38	38

Directors are not remunerated by the company. Amounts paid to third parties in respect of directors services are disclosed in note 16.

7. Key management compensation

	2019	2018
	£	£
Wages and salaries	**256,210**	333,363
Social security costs	**44,167**	28,103
Cost of defined contribution scheme	**13,675**	5,001
	314,052	366,467

8. Taxation

	2019	2018
	£	£
Corporation tax		
Current tax on profits for the year	**29,580**	112,027
Adjustments in respect of previous periods	**3,758**	(3,960)
Double taxation relief	**(14,860)**	(112,017)
Foreign tax		
Foreign tax on income for the year	**19,901**	162,370
Foreign tax in respect of prior periods	**-**	(7,360)
Total current tax	**38,379**	151,060
Deferred tax		
Origination and reversal of timing differences	**-**	56,192
Taxation on profit on ordinary activities	**38,379**	207,252

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	**139,627**	865,790
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	**26,529**	166,665
Effects of:		
Expenses not deductible for tax purposes	**3,051**	3,150
Higher rate taxes on overseas earnings	**5,041**	50,353
Adjustments to tax charge in respect of prior periods	**3,758**	(11,320)
Other differences leading to an decrease in the tax charge	**-**	(1,596)
Total tax charge for the year	**38,379**	207,252

9. Debtors: amounts falling due within one year

	2019 £	2018 £
Trade debtors	**4,433,003**	6,389,128
Other debtors	**137,071**	2,928
Prepayments	**94,148**	72,342
	4,664,222	6,464,398

The impairment loss recognised in profit or loss for the year in respect of bad and doubtful trade debtors was £Nil (2018 - £Nil).

10. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	**4,039,132**	5,194,825
Corporation tax	**27,551**	49,575
Other taxation and social security	**166,232**	316,874
Accruals	**757,379**	1,338,849
	4,990,294	6,900,123

11. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**5,721,461**	7,716,549
Financial liabilities		
Financial liabilities measured at amortised cost	**(4,796,511)**	(6,533,674)

Financial assets that are debt instruments measured at amortised cost comprise cash at bank in hand, and trade and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

12. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1,000 ordinary shares of £1 each	**1,000**	1,000

Ordinary shares have attached to them full voting rights.

13. 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 £70,792 (2018 - £16,948). Contributions totalling £7,917 (2018 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

14. Related party transactions

Related party by of common directors and shareholders

During the year, management and software charges totalling £510,508 (2018 - £680,000) have been charged to the company by parties related by virtue of common directors and shareholders. At the balance sheet date the amount due to such related parties was £Nil (2018 - £200,000).

15. Post balance sheet events

The outbreak and unprecedented spread of the coronavirus pandemic across the globe has had a profound impact on local and global markets in a matter of weeks, and is expected to continue to shape the economic landscape for the immediate future. The directors continue to monitor closely the impact of unfolding events in order to respond swiftly to any consequential implications on the business. However the company has signed contracts with a major new customer which will have a significant impact on turnover in 2020 and more so from 2021 onwards.

16. Controlling party

Following the change in ownership structure on 1 January 2019, the company's immediate and ultimate parent is EWIE Group of Companies Inc., incorporated in the USA. EWIE Group of Companies Inc. is not required to prepare consolidated financial statements under US company law and as such, none are prepared.

The directors do not consider there to be an ultimate controlling party.