

Wozair Limited

Registered number: 03039016

Annual Report

For the year ended 31 December 2019



WOZAIR LIMITED

COMPANY INFORMATION

Directors	S J Collins P M Azzopardi S D Azzopardi C R Cherrington H A Collins Y Lavaux P R Pendrill (resigned 1 July 2020)
Registered number	03039016
Registered office	32 Grosvenor Road Gillingham Business Park Gillingham Kent ME8 0SA
Independent auditors	Mazars LLP Chartered Accountants & Statutory Auditor 2nd Floor 6 Sutton Plaza Sutton Court Road Sutton Surrey SM1 4FS

WOZAIR LIMITED

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WOZAIR LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Introduction

The Directors present their Strategic Report of the Company and the Group for the year ended 31 December 2019.

Principal activity

The principal activity of the Group in the year under review was that of the design and supply of specialist heating, ventilation and air conditioning equipment and systems.

Business review

2019 was challenging and a disappointing year for the Group overall. Group turnover was down on the previous year at £24,104,618 (2018: £26,595,479). Although gross margin percentage was improved at 32% (2018: 28%), the reduced revenue was insufficient to recover administration expenses which resulted in a reduced operating loss of £436,784 (2018: operating loss of £702,028).

Another key financial performance measure for the Group is EBITDA which improved to £307,436 for the year (2018: £140,875).

There were a number of factors that had a negative impact on profitability including cost overruns on challenging long term contracts that originally started in 2016 and a reduction in sales of more profitable products.

Jet Environmental Systems (acquired by the Group in 2016) saw turnover decrease to £5,295k (2018: £7,806k) and operating profit of £683k (2018: £1,574k).

During 2019 it was decided to fully integrate the Veotec business (acquired by the Group in 2017) into Wozair as a product range. Manufacture of products has been moved from an overseas subcontractor to in house at Wozair, with the sales and projects teams integrated fully and all based at Gillingham.

During the year the Group continued to focus on its core business areas - specialist ventilation equipment to the On and Offshore Oil & Gas, Marine and UK Nuclear Industries as well as Warehousing.

The Group continued to market its products and services on a worldwide basis through its network of overseas regional offices. In order to develop and expand business Wozair exhibited at numerous Oil & Gas, Powergen, Nuclear and Marine trade shows at home and overseas during 2019, many more than in any previous years.

For 2020 and beyond there are a number of new significant Oil & Gas projects that have been sanctioned and others in the pipeline.

We continue to drive efficiency improvements through the business with engineering, systems manufacturing and supply chain, whilst developing new and innovative products and services in association with our strategic partners.

We are also focused more on other areas of business such as offshore wind farms, marine and nuclear, as well as other opportunities for suitable acquisitions and alliances that can deliver value.

WOZAIR LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Principal risks and uncertainties

The Directors continue to monitor KPIs to mitigate risk and identify new opportunities as they arise. During 2019 the Oil Price stabilised but a further fall due to political risks and uncertainties could once again affect investment decisions taken by Operators.

The Group has established a risk and financial management framework whose primary objectives are to protect the Group from events that hinder the achievement of the Group's performance objectives.

Competitive risks

The objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a business unit level.

Exposure to credit, liquidity and cash flow risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Our policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. We aim to mitigate liquidity risk by managing cash generation by our operations and applying cash collection targets.

Cash flow risk is the risk that inflows and outflows of cash and cash equivalents will not be sufficient to finance the day-to-day operations. We manage cash flow risk by careful negotiation of terms with customers and suppliers.

Key financial performance indicators

The Directors consider that financial key performance indicators for the Group are profit before tax, cash generation and turnover, hence 2019 has been viewed as a disappointing year that we look to put behind us.

The withdrawal of the United Kingdom from the European Union

The United Kingdom withdrew from the European Union on 31 January 2020 and entered into an Implementation Period which is scheduled to end on 31 December 2020. During this period, the trading relationship between the UK and the EU is expected to remain unchanged, however the terms of the future relationship between the UK and the EU from 1 January 2021 onwards are still unknown. At the date of this report it is therefore impossible to assess in detail the opportunities and threats that this future relationship could present. The directors recognise a general risk to the business associated with a potential interruption of the supply chain from Europe and/or import tariffs. The directors are managing these risks by closely monitoring developments, and are confident that the company will be able to amend and modify its procedures to remain fully compliant with any future rules and regulations, and to maintain its standing and reputation in the marketplace throughout Europe and worldwide.

WOZAIR LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Coronavirus and the COVID-19 pandemic

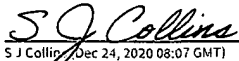
As at the date of this report the impact of Coronavirus has been managed by the Group in the UK and at its overseas locations to comply with local regulations and to protect the health and safety of personnel in the performance of their duties and to ensure continuity of operations.

At the start of the first UK lockdown in March the Gillingham factory was closed for a period of 3 weeks while COVID secure arrangements were put in place with staff initially returning on split shifts. Office staff initially worked from home and returned to the office in July. During this period output was reduced and there were some issues with the supply chain and customers inspecting completed equipment.

In the UK and at overseas locations the Group has taken advantage of the various Government and local financial support schemes in order to mitigate the effect of the pandemic on output.

Despite the negative impact of Coronavirus on trading conditions during 2020 it is anticipated that the Group will generate sufficient revenue to return to an Operating Profit.

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


S J Collins Dec 24, 2020 08:07 GMT

S J Collins
Director

Date: Dec 24, 2020

WOZAIR LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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

Principal activity

The principal activity of the Group in the year under review was that of the design and supply of specialist heating, ventilation and air conditioning equipment and systems.

Results and dividends

The loss for the year, after taxation and attributable to the owners of the parent, amounted to £363,320 (2018: loss £186,279).

The directors do not recommend the payment of a dividend for the financial year (2018: £nil).

Directors

The directors who served during the year and up to the date of this report were:

S J Collins
P M Azzopardi
S D Azzopardi
C R Cherrington
H A Collins
Y Lavaux
P R Pendrill (resigned 1 July 2020)

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated audited consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited consolidated financial statements for each financial year. Under that law the directors have elected to prepare the audited consolidated financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the audited consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these audited consolidated financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting 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; and
- prepare the audited consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to enable them to ensure that the audited consolidated financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 and the Group'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 and the Group's auditors are aware of that information.

Qualifying third party indemnity provisions

The directors benefit from a qualifying indemnity provision in the form permitted by the Section 234 of the Companies Act 2006 in respect of certain third party actions against directors. No claim or notice of claim in respect of these indemnities has been received in the year. The qualifying indemnity provision was in force throughout the financial year and up to the date of approval of the Directors' Report.

Matters covered in the strategic report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on pages 1 to 2. These matters relate to the financial risk management objectives and future developments.

Going concern

The financial statements have been prepared on a going concern basis.

The current economic conditions present increased risks for all businesses. In response to such conditions, the directors have carefully considered these risks, including an assessment of uncertainty on future trading projection for a period of at least twelve months from the date of signing the financial statements, and the extent to which they might affect the preparation of the financial statements on a going concern basis.

Based on this assessment, the directors consider that the Group and Company maintains an appropriate level of liquidity, sufficient to meet the demands of the business including any capital and servicing obligations of external debt liabilities.

In addition, the Group and Company's assets are assessed for recoverability on a regular basis, and the directors consider that the Company is not exposed to losses on these assets which would affect their decision to adopt the going concern basis.

The directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. Potential sources of uncertainty noted by the directors include the withdrawal of the United Kingdom from the European Union, and Coronavirus and the COVID-19 pandemic. However at the date of this report is it not possible to reliably determine the effects that these events will have on the company. Accordingly the directors have continued to prepare the financial statements on the going concern basis.

WOZAIR LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Post balance sheet events

Between the year end and the date of this report, Coronavirus and the COVID-19 pandemic emerged globally. The directors note the significance of this development and its general effect on the company.

After the period end, the group has entered into a group reorganisation scheme, under which the shareholding of Wozair was acquired by Wozair Holdings Limited. The entire share capital of Achilles Properties was distributed to Wozair Holdings as a dividend in specie, which net result on the Group was that the properties and associated liabilities held by the group was transferred.

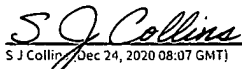
The Directors loan of £971,257 included within other debtors was fully repaid in December 2020.

Auditors

During the year Mazars LLP was appointed as the auditor.

The auditors, Mazars 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.


S J Collins [Dec 24, 2020 08:07 GMT]

S J Collins
Director

Date: Dec 24, 2020

WOZAIR LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WOZAIR LIMITED

Opinion

We have audited the financial statements of Wozair Limited (the Parent Company) and its subsidiaries ('the Group') for the year ended 31 December 2019 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated 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 FRS 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 Group and Parent Company's affairs as at 31 December 2019 and of the Group's 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent 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.

Emphasis of matter: Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the Group and Parent Company financial statements, which is not modified, we draw your attention to the directors' view on the impact of the COVID-19 as disclosed on page 3, and the consideration in the going concern basis of preparation on page 20 and non-adjusting post balance sheet events on page 46.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19, The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the Group and Parent Company's trade, customers, suppliers and the wider economy.

WOZAIR LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WOZAIR LIMITED

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 Group's or Parent 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 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 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 light of the knowledge and understanding of the Group and Parent 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WOZAIR LIMITED

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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 Group and Parent 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 intend to liquidate the Group or Parent 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 on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the Group and 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 group and 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 Group and Company and the Group and Company's members as a body for our audit work, for this report, or for the opinions we have formed.


Gerard Bonthuys (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
2nd Floor
6 Sutton Plaza
Sutton Court Road
Sutton
SM1 4FS

Date: 31/12/2020

WOZAIR LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover	4	24,104,618	26,595,479
Cost of sales		(16,248,599)	(19,070,288)
Gross profit		7,856,019	7,525,191
Administrative expenses		(8,292,803)	(7,800,098)
Exceptional administrative expenses	12	-	(427,121)
Operating loss	5	(436,784)	(702,028)
Interest receivable and similar income	9	21,076	22,608
Interest payable and expenses	10	(93,224)	(95,023)
Loss before taxation		(508,932)	(774,443)
Tax on loss	11	145,612	523,718
Loss for the financial year		(363,320)	(250,725)
Currency translation differences		127,012	(79,897)
Other comprehensive income for the year		127,012	(79,897)
Total comprehensive income for the year		(236,308)	(330,622)
Loss for the year attributable to:			
Non-controlling interests		-	(64,446)
Owners of the parent Company		(363,320)	(186,279)
		(363,320)	(250,725)

The Consolidated Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The notes on pages 19 to 45 form part of these financial statements.

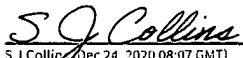
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	As restated 2018 £
Fixed assets			
Intangible assets	13	1,959,256	2,256,111
Tangible assets	14	5,630,934	6,139,092
Investments	15	19,480	19,480
		<u>7,609,670</u>	<u>8,414,683</u>
Current assets			
Stocks	16	903,362	1,163,186
Debtors: amounts falling due within one year	17	12,122,994	17,345,053
Cash at bank and in hand	18	5,125,702	3,620,216
		<u>18,152,058</u>	<u>22,128,455</u>
Creditors: amounts falling due within one year	19	(5,427,140)	(9,317,021)
Net current assets		<u>12,724,918</u>	<u>12,811,434</u>
Total assets less current liabilities		<u>20,334,588</u>	<u>21,226,117</u>
Creditors: amounts falling due after more than one year	20	(1,587,164)	(2,188,766)
Provisions for liabilities			
Deferred taxation	23	-	(53,619)
		<u>-</u>	<u>(53,619)</u>
Net assets		<u><u>18,747,424</u></u>	<u><u>18,983,732</u></u>
Capital and reserves			
Called up share capital	24	17,000	17,000
Share premium account	25	128,750	128,750
Capital redemption reserve	25	4,250	4,250
Foreign exchange reserve	25	271,259	144,247
Profit and loss account	25	18,326,165	18,689,485
		<u>18,747,424</u>	<u>18,983,732</u>

WOZAIR LIMITED
REGISTERED NUMBER: 03039016

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

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


S J Collins (Dec 24, 2020 08:07 GMT)

S J Collins
Director

Date: Dec 24, 2020

The notes on pages 19 to 45 form part of these financial statements.

WOZAIR LIMITED
REGISTERED NUMBER: 03039016

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2019

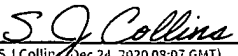
	Note	2019 £	As restated 2018 £
Fixed assets			
Intangible assets	13	589,226	-
Tangible assets	14	1,713,530	2,004,127
Investments	15	3,787,849	4,377,075
		<u>6,090,605</u>	<u>6,381,202</u>
Current assets			
Stocks	16	646,840	609,312
Debtors: amounts falling due within one year	17	12,870,702	14,085,793
Cash at bank and in hand	18	1,153,605	1,293,312
		<u>14,671,147</u>	<u>15,988,417</u>
Creditors: amounts falling due within one year	19	(9,107,804)	(8,912,194)
Net current assets		<u>5,563,343</u>	<u>7,076,223</u>
Total assets less current liabilities		<u>11,653,948</u>	<u>13,457,425</u>
Creditors: amounts falling due after more than one year	20	(105,105)	(434,982)
Provisions for liabilities			
Deferred taxation	23	-	(31,966)
		<u>-</u>	<u>(31,966)</u>
Net assets		<u>11,548,843</u>	<u>12,990,477</u>
Capital and reserves			
Called up share capital	24	17,000	17,000
Share premium account	25	128,750	128,750
Capital redemption reserve	25	4,250	4,250
Foreign exchange reserve	25	(4,359)	3,859
Profit and loss account	25	11,403,202	12,836,618
		<u>11,548,843</u>	<u>12,990,477</u>

WOZAIR LIMITED
REGISTERED NUMBER: 03039016

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent Company for the year was £1,433,416 (2018: profit of £1,544,596).

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


S J Collins (Dec 24, 2020 08:07 GMT)
S J Collins
Director
Date: Dec 24, 2020

The notes on pages 19 to 45 form part of these financial statements.

WOZAIR LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Share premium account £	Capital redemption reserve £	Foreign exchange reserve £	Profit and loss account £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 January 2018 (as restated - note 2.3)	17,000	128,750	4,250	224,144	19,230,586	19,604,730	(376)	19,604,354
Comprehensive income for the year								
Loss for the year	-	-	-	-	(186,279)	(186,279)	(64,446)	(250,725)
Currency translation differences	-	-	-	(79,897)	-	(79,897)	-	(79,897)
Total comprehensive income for the year	-	-	-	(79,897)	(186,279)	(266,176)	(64,446)	(330,622)
Acquisition of non controlling interest	-	-	-	-	(354,822)	(354,822)	64,822	(290,000)
At 1 January 2019 (as restated)	17,000	128,750	4,250	144,247	18,689,485	18,983,732	-	18,983,732
Comprehensive income for the year								
Loss for the year	-	-	-	-	(363,320)	(363,320)	-	(363,320)
Currency translation differences	-	-	-	127,012	-	127,012	-	127,012
Total comprehensive income for the year	-	-	-	127,012	(363,320)	(236,308)	-	(236,308)
At 31 December 2019	17,000	128,750	4,250	271,259	18,326,165	18,747,424	-	18,747,424

The notes on pages 19 to 45 form part of these financial statements.

WOZAIR LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Foreign exchange reserve £	Profit and loss account £	Total equity £
At 1 January 2018	17,000	128,750	4,250	1,144	11,292,022	11,443,166
Comprehensive income for the year						
Profit for the year	-	-	-	-	1,544,596	1,544,596
Currency translation differences	-	-	-	2,715	-	2,715
Other comprehensive income for the year	-	-	-	2,715	-	2,715
Total comprehensive income for the year	-	-	-	2,715	1,544,596	1,547,311
At 1 January 2019	17,000	128,750	4,250	3,859	12,836,618	12,990,477
Comprehensive income for the year						
Loss for the year	-	-	-	-	(1,433,416)	(1,433,416)
Currency translation differences	-	-	-	(8,218)	-	(8,218)
Other comprehensive income for the year	-	-	-	(8,218)	-	(8,218)
Total comprehensive income for the year	-	-	-	(8,218)	(1,433,416)	(1,441,634)
At 31 December 2019	17,000	128,750	4,250	(4,359)	11,403,202	11,548,843

The notes on pages 19 to 45 form part of these financial statements.

WOZAIR LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
Cash flows from operating activities		
Loss for the financial year	(363,320)	(250,725)
Adjustments for:		
Amortisation of intangible assets	299,118	298,251
Depreciation of tangible assets	401,579	567,888
Profit on disposal of tangible assets	(29,941)	(22,313)
Interest paid	93,224	95,023
Interest received	(21,076)	(22,608)
Taxation charge	(145,612)	(523,718)
Decrease in stocks	259,824	68,189
Decrease/(increase) in debtors	5,488,846	(2,043,603)
(Decrease) in creditors	(3,635,462)	(561,630)
Increase in provisions	-	642
Corporation tax (paid)	(417,026)	(274,243)
Foreign exchange	17,167	-
Net cash used in operating activities	1,947,321	(2,668,847)
Cash flows from investing activities		
Purchase of intangible fixed assets	(2,263)	-
Purchase of tangible fixed assets	(146,946)	(263,379)
Sale of tangible fixed assets	283,466	52,943
Purchase of unlisted and other investments	-	(290,000)
Interest received	21,076	22,608
Finance lease interest paid	(8,374)	(19,604)
Exchange difference on fixed assets	-	(51,018)
Net cash used in investing activities	146,959	(548,450)
Cash flows from financing activities		
Repayment of loans	(426,715)	(430,798)
Repayment of finance leases	(77,229)	(27,057)
Interest paid	(84,850)	(75,419)
Net cash used in financing activities	(588,794)	(533,274)
Net increase/(decrease) in cash and cash equivalents	1,505,486	(3,750,571)
Cash and cash equivalents at beginning of year	3,620,216	7,370,787
Cash and cash equivalents at the end of year	5,125,702	3,620,216

WOZAIR LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	5,125,702	3,620,216
	<u>5,125,702</u>	<u>3,620,216</u>

The notes on pages 19 to 45 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. General information

Wozair Limited is a private company limited by shares incorporated and registered in England with the registration number 03039016. The address of the registered office is 32 Grosvenor Road, Gillingham Business Park, Gillingham, Kent, ME8 0SA.

The principal activity of the group is that of the design and supply of specialist heating, ventilation and air conditioning equipment and systems.

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 Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

The financial statements have been presented in Pounds Sterling as this is the currency of the primary economic environment in which the group operates, and are rounded to the nearest pound.

2.3 Prior year restatement

During the year, the directors have become aware that prior years financial statements contained an error in the translation of foreign operations, which error had been corrected. The effect of this restatement was an increase Profit and loss account and equal decrease in Foreign Exchange reserve of £910,115.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.4 Going concern

The financial statements have been prepared on a going concern basis.

The current economic conditions present increased risks for all businesses. In response to such conditions, the directors have carefully considered these risks, including an assessment of uncertainty on future trading projection for a period of at least twelve months from the date of signing the financial statements, and the extent to which they might affect the preparation of the financial statements on a going concern basis.

Based on this assessment, the directors consider that the Group and Company maintains an appropriate level of liquidity, sufficient to meet the demands of the business including any capital and servicing obligations of external debt liabilities.

In addition, the Group and Company's assets are assessed for recoverability on a regular basis, and the directors consider that the Company is not exposed to losses on these assets which would affect their decision to adopt the going concern basis.

The directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. Potential sources of uncertainty noted by the directors include the withdrawal of the United Kingdom from the European Union, and Coronavirus and the COVID-19 pandemic. However at the date of this report it is not possible to reliably determine the effects that these events will have on the company. Accordingly the directors have continued to prepare the financial statements on the going concern basis.

2.5 Foreign currency translation

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.

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 the Consolidated Statement of Comprehensive Income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.6 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group 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 Group 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 Group 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.

2.7 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income 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.

2.8 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.9 Interest payable and similar expenses

Interest payable and similar expenses are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.10 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

2.12 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.13 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share 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 Consolidated Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Computer Software	-	25 % per annum, straight line
Goodwill	-	10 % per annum, straight line

2.14 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.14 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:

Freehold and leasehold improvements	- 2% per annum
Long-term leasehold property	- over remaining lease term
Plant and machinery	- 16% per annum
Motor vehicles	- 25% per annum
Fixtures and fittings	- 25% per annum
Office equipment	- 25% - 33% per annum

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 Consolidated Statement of Comprehensive Income.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.16 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. Work in progress and finished goods include labour and attributable overheads.

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.

2.17 Debtors

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

2.18 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.19 Creditors

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

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.21 Financial instruments

The Group 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, loans to related parties and investments in ordinary shares.

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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company.

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 Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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 Group would receive for the asset if it were to be sold at the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

3.1 Critical judgements in applying the accounting policies

Contract values

The group has entered into a number of contracts in the year. When the outcome of a contract can be estimated reliably, the company has recognised contract revenue and contract costs associated with the contract as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period (often referred to as the percentage of completion method).

Reliable estimation of the outcome requires reliable estimates of the stage of completion, future costs and collectability of billings. This is determined by those members of the delivery team who are the most familiar with the work, and draws on comparisons between forecast costs to complete vs actual costs to complete which are continually updated in order to improve accuracy.

Goodwill and intangible assets

On acquisition, the group determines a reliable estimate of the useful life of goodwill and intangible assets based upon factors such as the expected use of the acquired business, forecasts of expected future results and cash flows, and any legal, regulatory or contractual provisions that can limit useful life. At each subsequent reporting date the directors consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the useful life of goodwill and intangible assets.

3.2 Key sources of estimation uncertainty

Aside from those stated above there are no key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

WOZAIR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. Turnover

The whole of the turnover is attributable to the principal activity of the group.

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	15,978,583	13,541,182
Rest of Europe	1,211,685	3,815,432
Rest of the world	6,914,350	9,238,865
	<u>24,104,618</u>	<u>26,595,479</u>

5. Operating loss

The operating loss is stated after charging/(crediting):

	2019 £	2018 £
Research & development charged as an expense	98,039	148,118
Exchange differences	17,167	174,491
Other operating lease rentals	28,934	9,711
Depreciation of tangible fixed assets	401,579	566,965
Amortisation of intangible assets, including goodwill	299,118	298,251
Profit on disposal of fixed assets	(29,941)	(22,313)
Defined contribution pension cost	166,107	153,895
	<u>1,181,380</u>	<u>1,468,328</u>

6. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	45,000	36,170
	<u>45,000</u>	<u>36,170</u>
Fees payable to the Group's auditor and its associates in respect of:		
Taxation compliance services	13,000	7,430
Other non-audit services	9,750	54,201
	<u>22,750</u>	<u>61,631</u>

WOZAIR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. Employees

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

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Wages and salaries	6,320,204	5,433,048	3,573,130	3,403,134
Social security costs	428,396	609,458	324,734	490,195
Cost of defined contribution scheme	166,107	153,895	113,204	106,041
	<u>6,914,707</u>	<u>6,196,401</u>	<u>4,011,068</u>	<u>3,999,370</u>

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

	2019 No.	2018 No.
Employees	<u>123</u>	<u>124</u>

8. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	528,207	415,200
Company contributions to defined contribution pension schemes	42,500	50,505
	<u>570,707</u>	<u>465,705</u>

During the year retirement benefits were accruing to 2 directors (2018: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £135,766 (2018: £121,096).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2018: £nil).

The directors are considered to be Key management personnel.

WOZAIR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Interest receivable and similar income

	2019 £	2018 £
Other interest receivable	21,076	22,608
	<u>21,076</u>	<u>22,608</u>

10. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	77,472	60,876
Other loan interest payable	7,378	14,543
Finance leases and hire purchase contracts	8,374	19,604
	<u>93,224</u>	<u>95,023</u>

11. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	-	101,536
Adjustments in respect of previous periods	(63,588)	(609,473)
Total current tax	<u>(63,588)</u>	<u>(507,937)</u>
Deferred tax		
Origination and reversal of timing differences	(82,588)	(15,781)
Adjustments in respect of prior periods	564	-
Total deferred tax	<u>(82,024)</u>	<u>(15,781)</u>
Taxation on loss on ordinary activities	<u>(145,612)</u>	<u>(523,718)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

11. Taxation (continued)

Factors affecting tax charge for the year

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

	2019 £	2018 £
Loss on ordinary activities before tax	<u>(508,932)</u>	<u>(774,443)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	(96,697)	(147,144)
Effects of:		
Fixed asset differences	12,338	-
Non-tax deductible amortisation of goodwill and impairment	-	55,883
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,396	24,996
Capital allowances for year in excess of depreciation	-	55,274
Group relief	98,039	-
Adjust closing deferred tax to average rate of 19.00%	(76,549)	-
Other timing differences leading to an increase (decrease) in taxation	(2,566)	-
Deferred tax not recognised / losses not utilised during the period	70,260	-
Adjustments to tax charge in respect of prior periods	(71,489)	(609,473)
Adjustments to tax charge in respect of previous periods - deferred tax	564	-
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	-	(103,598)
Effect of foreign tax rates	-	200,344
Difference in tax rates	7,493	-
Consolidation adjustments	(91,401)	-
Total tax charge for the year	<u>(145,612)</u>	<u>(523,718)</u>

Factors that may affect future tax charges

The UK Budget 2020 announced that the corporation tax rate was to be held at 19% rather than reduced to 17% with effect from 1 April 2020 as previously enacted. This provision was substantially enacted on 17 March 2020, after the end of the accounting period, and so deferred tax closing balances have been calculated at 17%. If deferred tax had been calculated at 19% the provision would have been £7,589 (2018: £6,308) higher at at £72,097 (2018: £59,927).

WOZAIR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. Exceptional items

	2019	2018
	£	£
Restructuring costs	-	119,831
Legal and professional fees	-	108,170
Impairment of trade receivable	-	199,120
	<u>-</u>	<u>427,121</u>
	<u>-</u>	<u>427,121</u>

There were no exceptional items in the current year.

During the prior year the group undertook a reorganisation having reviewed the future needs of the trade. This resulted in an exceptional costs in the year totalling £119,831.

During the prior year the group considered options around the expansion of its services and had enquired into the purchase of another entity in the sector. The purchase of the entity was not completed and resulted in exceptional professional fees totalling £108,170.

During the prior year costs of £199,120 have been shown as an exceptional item on the Profit and Loss account along with a specific trade receivable impairment incurred by subsidiary undertaking Wozair (Asia) Pte Limited.

WOZAIR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. Intangible assets**Group**

	Computer software £	Goodwill £	Total £
Cost			
At 1 January 2019	114,516	2,941,222	3,055,738
Additions	2,263	-	2,263
At 31 December 2019	<u>116,779</u>	<u>2,941,222</u>	<u>3,058,001</u>
Amortisation			
At 1 January 2019	109,215	690,412	799,627
Charge for the year	4,996	294,122	299,118
At 31 December 2019	<u>114,211</u>	<u>984,534</u>	<u>1,098,745</u>
Net book value			
At 31 December 2019	<u>2,568</u>	<u>1,956,688</u>	<u>1,959,256</u>
At 31 December 2018	<u>5,301</u>	<u>2,250,810</u>	<u>2,256,111</u>

WOZAIR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. Intangible assets (continued)**Company**

	Goodwill £
Cost	
At 1 January 2019	-
Transfers from investments on hive-up	589,226
At 31 December 2019	589,226
Amortisation	
At 1 January 2019 and 31 January 2019	-
Net book value	
At 31 December 2019	589,226
At 31 December 2018	-

During the year, assets of a subsidiary, Veotec Limited were transferred to the Company, leading to the recognition of goodwill in the company.

WOZAIR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Tangible fixed assets

Group

	Freehold and leasehold improve- ments £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost							
At 1 January 2019	2,258,007	3,220,184	1,716,208	975,005	272,035	369,999	8,811,438
Additions	-	-	98,234	20,310	-	28,402	146,946
Disposals	-	(13,821)	(65,452)	(403,199)	-	(10,000)	(492,472)
At 31 December 2019	<u>2,258,007</u>	<u>3,206,363</u>	<u>1,748,990</u>	<u>592,116</u>	<u>272,035</u>	<u>388,401</u>	<u>8,465,912</u>
Depreciation							
At 1 January 2019	306,461	122,951	1,173,518	515,997	238,194	315,225	2,672,346
Charge for the year	25,569	33,183	183,184	117,820	11,506	30,317	401,579
Disposals	-	(9,214)	(1,608)	(220,208)	-	(7,917)	(238,947)
At 31 December 2019	<u>332,030</u>	<u>146,920</u>	<u>1,355,094</u>	<u>413,609</u>	<u>249,700</u>	<u>337,625</u>	<u>2,834,978</u>
Net book value							
At 31 December 2019	<u>1,925,977</u>	<u>3,059,443</u>	<u>393,896</u>	<u>178,507</u>	<u>22,335</u>	<u>50,776</u>	<u>5,630,934</u>
At 31 December 2018	<u>1,951,546</u>	<u>3,097,233</u>	<u>542,690</u>	<u>459,008</u>	<u>33,841</u>	<u>54,774</u>	<u>6,139,092</u>

WOZAIR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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14. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2019	2018
	£	£
Freehold	1,925,977	1,951,546
Long leasehold	3,059,443	3,097,233
	<u>4,985,420</u>	<u>5,048,779</u>

The net book value of assets held under finance leases or hire purchase contracts may be further analysed as follows:

	2019	2018
	£	£
Plant and machinery	13,301	42,968
Motor vehicles	-	24,455
	<u>13,301</u>	<u>67,423</u>

WOZAIR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Tangible fixed assets (continued)**Company**

	Freehold and leasehold improve- ments £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost						
At 1 January 2019	1,460,427	1,313,563	635,027	170,324	229,723	3,809,064
Additions	-	34,390	20,310	-	21,847	76,547
Disposals	-	(1,608)	(250,350)	-	-	(251,958)
At 31 December 2019	<u>1,460,427</u>	<u>1,346,345</u>	<u>404,987</u>	<u>170,324</u>	<u>251,570</u>	<u>3,633,653</u>
Depreciation						
At 1 January 2019	154,886	948,836	330,085	170,278	200,852	1,804,937
Charge for the year	11,716	147,788	98,608	46	19,965	278,123
Disposals	-	(1,608)	(161,329)	-	-	(162,937)
At 31 December 2019	<u>166,602</u>	<u>1,095,016</u>	<u>267,364</u>	<u>170,324</u>	<u>220,817</u>	<u>1,920,123</u>
Net book value						
At 31 December 2019	<u>1,293,825</u>	<u>251,329</u>	<u>137,623</u>	<u>-</u>	<u>30,753</u>	<u>1,713,530</u>
At 31 December 2018	<u>1,305,541</u>	<u>364,727</u>	<u>304,942</u>	<u>46</u>	<u>28,871</u>	<u>2,004,127</u>

WOZAIR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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15. Fixed asset investments**Group**

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2019	19,480
At 31 December 2019	<u>19,480</u>

The subsidiary companies were not consolidated on grounds of materiality.

Company

	Investments in subsidiary companies £
Cost	
At 1 January 2019	4,377,075
Hive-up	(589,226)
At 31 December 2019	<u>3,787,849</u>

WOZAIR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Wozair (Asia) Pte Ltd	3 International Business Park, Nordic European Centre, Singapore 609927.	Design and supply of specialist hearing, ventilation and air conditioning equipment and systems	Ordinary	100%
Wozair (USA) Limited	3601 North Loop, 336 West, Conroe, Texas 77304, USA.	Design and supply of specialist hearing, ventilation and air conditioning equipment and systems	Ordinary	100%
Achilles Properties Limited	32 Grosvenor Road, Gillingham Business Park, Gillingham, Kent, ME5 0SA.	Property holding company	Ordinary	100%
Jet AHU Limited	32 Grosvenor Road, Gillingham Business Park, Gillingham, Kent, ME5 0SA.	Holding company	Ordinary	100%
Jet Environmental Systems Limited	32 Grosvenor Road, Gillingham Business Park, Gillingham, Kent, ME5 0SA.	Design and supply of specialist hearing, ventilation and air conditioning equipment and systems	Ordinary	100%
Veotec Limited	32 Grosvenor Road, Gillingham Business Park, Gillingham, Kent, ME5 0SA.	Design and supply of specialist hearing, ventilation and air conditioning equipment and systems	Ordinary	100%
Veotec Holdings Limited	32 Grosvenor Road, Gillingham Business Park, Gillingham, Kent, ME5 0SA.	Holding company	Ordinary	100%
Veotec Group Limited	32 Grosvenor Road, Gillingham Business Park, Gillingham, Kent, ME5 0SA.	Holding company	Ordinary	100%

The results of Veotec (Americas) Inc, a 100% subsidiary of Veotec Group Limited, and Veotec (Americas) LLC, a 50% subsidiary of Veotec (Americas) Inc, have been excluded from the consolidated statements on the grounds of materiality.

WOZAIR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. Fixed asset investments (continued)**Subsidiary undertakings (continued)**

The aggregate of the share capital and reserves as at 31 December 2019 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves	Profit/(Loss)
	£	£
Wozair (Asia) Pte Ltd	4,345,912	25,041
Wozair (USA) Limited	107,774	390,239
Achilles Properties Limited	1,737,562	426,030
Jet AHU Limited	350,379	-
Jet Environmental Systems Limited	3,655,990	684,322
Veotec Limited	(292,231)	(117,170)
Veotec Holdings Limited	(80,698)	(44,943)
Veotec Group Limited	(5,720)	(5,657)

16. Stocks

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Stocks	903,362	1,163,186	646,840	609,312
	<u>903,362</u>	<u>1,163,186</u>	<u>646,840</u>	<u>609,312</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

WOZAIR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

17. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	4,252,305	6,182,417	3,040,710	2,932,994
Amounts owed by group undertakings	-	-	2,843,340	2,461,219
Other debtors	1,912,295	2,217,738	1,761,296	1,976,448
Prepayments and accrued income	5,691,023	8,944,898	4,953,946	6,715,132
Tax recoverable	238,966	-	238,966	-
Deferred taxation	28,405	-	32,444	-
	<u>12,122,994</u>	<u>17,345,053</u>	<u>12,870,702</u>	<u>14,085,793</u>

Amounts owed by group undertakings are unsecured, interest-free and repayable on demand.

Included within other debtors is an amount due to the company from directors of £971,257 (2018: £898,505). This balance was repaid post year end in December 2020.

18. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	5,125,702	3,620,216	1,153,605	1,293,312
	<u>5,125,702</u>	<u>3,620,216</u>	<u>1,153,605</u>	<u>1,293,312</u>

WOZAIR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

19. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank loans	431,051	330,741	236,048	192,069
Trade creditors	2,991,434	5,042,565	2,055,113	3,109,335
Amounts owed to group undertakings	-	-	5,917,816	4,332,932
Corporation tax	14,023	366,100	-	290,000
Other taxation and social security	269,051	279,525	127,846	137,397
Obligations under finance lease and hire purchase contracts	34,485	37,137	-	-
Other creditors	62,108	432,378	43,967	99,023
Accruals and deferred income	1,624,988	2,828,575	727,014	751,438
	5,427,140	9,317,021	9,107,804	8,912,194

Amounts owed to group undertakings are unsecured, interest-free and repayable on demand.

20. Creditors: Amounts falling due after more than one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank loans	1,587,164	2,114,189	105,105	434,982
Obligations under finance leases and hire purchase contracts	-	74,577	-	-
	1,587,164	2,188,766	105,105	434,982

The bank has a fixed and floating charge over the company's assets and a charge over any credit balance bank accounts.

Bank Loans of Achilles Properties Limited (a subsidiary of the parent company) are secured by a First Legal Charge dated 28 November 2014 over Leasehold Property known as Phases 29 and 32 Grosvenor Road, Gillingham Business Park, Gillingham, Kent, ME8 0SA, the freehold and long-term leasehold property owned by the company.

Debenture including Fixed Charge over all present freehold and leasehold property; First Fixed Charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and First Floating Charge over all assets and undertaking both present and future dated 13 November 2014 Composite Company Unlimited Multilateral Guarantee dated 21 November 2014 given by Achilles Properties Limited and Wozair Limited.

Refer to note 21 for full details of the bank security.

WOZAIR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

21. Loans

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Amounts falling due within one year				
Bank loans	431,051	330,741	236,048	192,069
Amounts falling due 1-2 years				
Bank loans	105,105	434,982	105,105	434,982
Amounts falling due 2-5 years				
Bank loans	585,010	554,688	-	-
Amounts falling due after more than 5 years				
Bank loans	897,049	1,124,519	-	-
	2,018,215	2,444,930	341,153	627,051

22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2019 £	Group 2018 £
Within one year	25,310	37,137
Between 1-5 years	-	74,577
	25,310	111,714

WOZAIR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

23. Deferred taxation**Group**

	2019 £	2018 £
At beginning of year	(53,619)	(23,918)
Charged to profit or loss	82,024	(29,701)
At end of year	28,405	(53,619)

Company

	2019 £	2018 £
At beginning of year	(31,966)	-
Charged to profit or loss	64,410	(31,966)
At end of year	32,444	(31,966)

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Accelerated capital allowances	(16,687)	(53,619)	(16,687)	(31,966)
Short term timing differences	1,259	-	1,259	-
Losses and other deductions	43,833	-	47,872	-
	28,405	(53,619)	32,444	(31,966)

24. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
17,000 (2018: 17,000) Ordinary shares of £1.00 each	17,000	17,000

Each ordinary share entitles the holder to one voting right and no right to fixed income.

WOZAIR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

25. Reserves**Share premium account**

This reserve records the amount above the nominal value received for shares issued by the company. Share premium may only be utilised to write-off any expenses incurred or commissions paid on the issue of those shares, or to pay up new shares to be allotted to members as fully paid bonus shares.

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

Foreign exchange reserve

This reserve comprises translation differences arising from the translation of financial statements of the group's foreign entities in to Pounds Sterling.

Profit and loss account

This reserve comprises all current and prior period retained profits and losses after deducting any distributions made to the company's shareholders.

26. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £166,107 (2018: £153,895). Contributions totalling £16,287 (2018: £99,023) were payable to the fund at the balance sheet date and are included in creditors.

27. Commitments under operating leases

At 31 December 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group	Group	Company	Company
		As restated		
	2019	2018	2019	2018
	£	£	£	£
Not later than 1 year	56,061	95,721	420,000	427,572
Later than 1 year and not later than 5 years	85,797	76,543	1,681,156	1,680,000
Later than 5 years	-	434,353	2,063,178	2,520,000
	141,858	606,617	4,164,334	4,627,572

28. Contingent liabilities

The Group's bankers have provided guarantees in favour of customers of the group, in relation to certain specific completed contracts, up to a maximum of £3,064,912 and \$417,605 respectively. The guarantees have defined expiry dates and historically no customer has ever claimed against a guarantee.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

29. Related party transactions

The Company is a wholly owned subsidiary of Wozair Limited, and as such has taken advantage of the exemption permitted by FRS 102 section 33 'Related party disclosures' not to provide disclosures of transactions entered into with wholly owned members of the group.

At year end, loans due from directors were £971,257 (2018: £898,505). This included within other debtors.

At year end, loans due from Wozair Energy Holdings, a related party under common control were £327,800 (2018: £nil).

At year end, loans due from Thermoplant Offshore Services Limited, a related party under common control, were £200,000 (2018: £nil). This was repaid post year end.

Key Management Personnel

Total remuneration in respect of key management personnel is comprised of directors remuneration totalling £529,872 (2018: £465,705).

30. Post balance sheet events

Between the year end and the date of this report, Coronavirus and the COVID-19 pandemic emerged globally. The directors note the significance of this development and its general effect on the company.

After the period end, the group has entered into a group reorganisation scheme, under which the shareholding of Wozair was acquired by Wozair Holdings Limited. The entire share capital of Achilles Properties was distributed to Wozair Holdings as a dividend in specie, which net result on the Group was that the properties and associated liabilities held by the group was transferred.

The Directors loan of £971,257 included within other debtors was fully repaid in December 2020.

31. Controlling party

In the opinion of the directors, there is no ultimate controlling party.