Company registration number 11635921 (England and Wales)

GADCAP TECHNICAL SOLUTIONS LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

PAGES FOR FILING WITH REGISTRAR

GADCAP TECHNICAL SOLUTIONS LIMITED

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GADCAP TECHNICAL SOLUTIONS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Intangible assets	3		2,209,244		2,572,408
Tangible assets	4		147,406		283,211
			2,356,650		2,855,619
Current assets					
Stocks		127,542		142,341	
Debtors	5	571,917		398,411	
Cash at bank and in hand		2,145,306		2,561,818	
		2,844,765		3,102,570	
Creditors: amounts falling due within one year	6	(456,838)		(1,720,672)	
Net current assets			2,387,927		1,381,898
Total assets less current liabilities			4,744,577		4,237,517
Creditors: amounts falling due after more than one year	7		(2,224,000)		(2,224,000)
Provisions for liabilities			(36,852)		(70,803)
Net assets			2,483,725		1,942,714
Capital and reserves					
Called up share capital	8		114		100
Profit and loss reserves			2,483,611		1,942,614
Total equity			2,483,725		1,942,714

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

The financial statements were approved by the board of directors and authorised for issue on 5 April 2023 and are signed on its behalf by:

Mr M Baker
Director

Mr P Seccombe
Director

Company Registration No. 11635921

1 Accounting policies

Company information

Gadcap Technical Solutions Limited (company no. 11635921) is a private company limited by shares incorporated in England and Wales. The registered office is 3 Rutherford Road, Stephenson Industrial Estate, Washington, Tyne & Wear, NE37 3HX.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention.The principal accounting policies adopted are set out below.

1.2 Going concern

It is the opinion of the directors that, at the time of approving the financial statements, they have a reasonable expectation that the company has adequate resources to successfully continue in operational existence for the foreseeable future. Therefore it is on this basis that the directors continue to adopt the going concern basis of accounting in the preparation of the financial statements.

The ongoing turbulence in world energy markets resulting in major concerns in terms of escalating price and security of supply has resulted in EDF partially reversing the decision made to bring forward the end-of-life dates of its remaining operational UK nuclear power plants. This decision could have a favourable impact on sales of the company's products into this key market. Two of EDF's nuclear plants will now remain operational for an additional 2 years potentially resulting in sales in 2023 exceeding expectations.

The company's other key business sectors are in the power generation and aerospace markets, where activity was badly impacted by Covid lockdown restrictions. Here the company has seen a slow but steady increased level of recovery and expectations are for significant increased turnover in this sector moving forward.

Increased sales activity to broaden the customer base and the introduction of new products are expected to drive sales growth.

Despite increases to raw material and energy costs the directors are confident that they can exert strict controls to minimise the impact of these increases on the cost base and profitability.

The directors are therefore confident that the company will continue to be a going concern.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1 Accounting policies **(Continued)**

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of the net assets and trade from an incorporated business over the fair value of the net assets and trade acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

1.5 Intangible fixed assets other than goodwill

Intangible assets comprise the knowhow, brand and intellectual property rights acquired separately from an incorporated business. They are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

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

Business IP & rights	10% straight line
Knowhow and brand	10% straight line

1.6 Tangible fixed assets

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

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

Plant and machinery etc	10% - 50% straight line

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price including transaction costs.

1 Accounting policies **(Continued)**

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and loans, are recognised at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are recognised at transaction price.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences. Such liabilities are not recognised if the timing difference arises from goodwill.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged in the profit and loss account. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

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

1.12 Retirement benefits

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

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease.

1.14 Government grants

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

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

1 Accounting policies **(Continued)**

1.15 Foreign exchange

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

2 Employees

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

	2022 Number	2021 Number
Total	10	13

3 Intangible fixed assets

	Goodwill £	Other £	Total £
Cost			
At 1 January 2022 and 31 December 2022	1,181,635	2,450,000	3,631,635
Amortisation and impairment			
At 1 January 2022	344,643	714,584	1,059,227
Amortisation charged for the year	118,164	245,000	363,164
At 31 December 2022	462,807	959,584	1,422,391
Carrying amount			
At 31 December 2022	718,828	1,490,416	2,209,244
At 31 December 2021	836,992	1,735,416	2,572,408

4 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 January 2022	639,283
Additions	8,855
At 31 December 2022	648,138
Depreciation and impairment	
At 1 January 2022	356,072
Depreciation charged in the year	144,660
At 31 December 2022	500,732
Carrying amount	
At 31 December 2022	147,406
At 31 December 2021	283,211

5 Debtors

	2022	2021
Amounts falling due within one year:	£	£
Trade debtors	537,316	376,196
Other debtors	34,601	22,215
	571,917	398,411

6 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	160,091	26,514
Corporation tax	126,244	123,840
Other taxation and social security	22,789	72,185
Other creditors	147,714	1,498,133
	456,838	1,720,672

7 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Other creditors	2,224,000	2,224,000

Included in "other creditors" is a loan balance of £2,224,000 which is secured with a fixed and floating charge and a negative pledge covering all the property or undertaking of the company. The loan is not fixed to any formal repayment terms and the directors confirm that this portion of the loan will not be fully repaid within the next 12 months. Interest is charged and paid quarterly.

8 Called up share capital

	2022	2021	2022	2021
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Ordinary shares of 1p each	11,429	100	114	100

On 31 January 2022, the 100 £1 ordinary shares were subdivided into 10,000 £0.01 ordinary shares.
On 10 February 2022, the company issued a further 1,429 ordinary shares at par value.

9 Operating lease commitments

Lessee

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

	2022	2021
	£	£
Within one year	137,147	105,040
Between two and five years	61,021	112,667
	198,168	217,707

10 Ultimate controlling party

The ultimate controlling party is the directors, who jointly own the majority of the company's share capital.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.