Registered number: 05893658

Constant Power Services Limited

Information for filing with the registrar

Financial statements

For the Year Ended 31 December 2018

DAINS
ACCOUNTANTS

Constant Power Services Limited

Contents

Constant Power Services Limited
Registered number:05893658

Balance Sheet
As at 31 December 2018

	Note		2018 £		2017 £
Fixed assets					
Intangible assets	4		**28,961**		*29,097*
Tangible assets	5		**524,104**		*482,307*
			553,065		*511,404*
Current assets					
Stocks	6	**1,438,409**		*1,662,233*	
Debtors: amounts falling due within one year	7	**1,913,804**		*1,858,790*	
Cash at bank and in hand	8	**283,207**		*381,340*	
		3,635,420		*3,902,363*	
Creditors: amounts falling due within one year	9	**(2,786,808)**		*(3,089,750)*	
Net current assets			**848,612**		*812,613*
Total assets less current liabilities			**1,401,677**		*1,324,017*
Creditors: amounts falling due after more than one year	10		**(200,000)**		*(302,972)*
Provisions for liabilities					
Deferred tax	12	**(53,274)**		*(62,146)*	
			(53,274)		*(62,146)*
Net assets			**1,148,403**		*958,899*
Capital and reserves					
Called up share capital	13		**1**		*1*
Profit and loss account			**1,148,402**		*958,898*
			1,148,403		*958,899*

Balance Sheet (continued)
As at 31 December 2018

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the Director's report and the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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

....

R Facci
Director

Date: 12\3\2019

The notes on pages 3 to 15 form part of these financial statements.

1. General information

Constant Power Services Limited is a company limited by shares, incorporated in England and Wales. It's registered office is Riello House, Works Road, Letchworth, Hertfordshire, SG6 1AZ.

The company's principal activities during the year continued to be the UK sales, distribution and service of Uninterruptible Power Supplies (UPS) purchased from its parent company RPS S.p.A.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Riello Elettronica S.p.A as at 31 December 2018 and these financial statements may be obtained from RPS S.p.A, Viale Europa, 7 Frazione San Pietro, 37045 Legnago (Verona), Italy.

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2. Accounting policies (continued)

2.4 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 its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of income and retained earnings over its useful economic life.

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.

The estimated useful lives range as follows:

Development	-	5	years
Goodwill	-	10	years

2.5 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.

The Company 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 Company. 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Improvements to property	-	Over length of lease
Plant and machinery	-	15% on reducing balance
Motor vehicles	-	33% on reducing balance
Fixtures and fittings	-	15% on reducing balance
Computer equipment	-	33% on reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2. Accounting policies (continued)

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

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

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. 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.

2.8 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.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. Accounting policies (continued)

2.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable 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 financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at 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 Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.11 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. Accounting policies (continued)

2.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

2.13 Finance costs

Finance costs are charged to the Statement of income and retained earnings 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.

2.14 Leased assets: the Company as lessee

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

2.15 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.16 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2. Accounting policies (continued)

2.17 Borrowing costs

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 48 *(2017 - 50)*.

4. Intangible assets

	Develop-ment £	Goodwill £	Total £
Cost			
At 1 January 2018	32,175	3,695,755	3,727,930
Additions	7,303	-	7,303
At 31 December 2018	39,478	3,695,755	3,735,233
Amortisation			
At 1 January 2018	3,078	3,695,755	3,698,833
Charge for the year	7,439	-	7,439
At 31 December 2018	10,517	3,695,755	3,706,272
Net book value			
At 31 December 2018	28,961	-	28,961
At 31 December 2017	*29,097*	*-*	*29,097*

5. Tangible fixed assets

	Improve-ments to property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation						
At 1 January 2018	**222,720**	**296,067**	**4,746**	**199,465**	**167,235**	**890,233**
Additions	**3,635**	**33,385**	**-**	**-**	**83,012**	**120,032**
Disposals	**-**	**-**	**-**	**-**	**(1,556)**	**(1,556)**
At 31 December 2018	**226,355**	**329,452**	**4,746**	**199,465**	**248,691**	**1,008,709**
Depreciation						
At 1 January 2018	**79,478**	**114,313**	**4,677**	**97,466**	**111,991**	**407,925**
Charge for the year on owned assets	**12,775**	**26,295**	**20**	**14,291**	**24,712**	**78,093**
Disposals	**-**	**-**	**-**	**-**	**(1,413)**	**(1,413)**
At 31 December 2018	**92,253**	**140,608**	**4,697**	**111,757**	**135,290**	**484,605**
Net book value						
At 31 December 2018	**134,102**	**188,844**	**49**	**87,708**	**113,401**	**524,104**
At 31 December 2017	*143,241*	*181,754*	*69*	*101,999*	*55,244*	*482,307*

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

	2018 £	*2017 £*
Motor vehicles	**5,830**	*8,701*

6. Stocks

	2018 £	*2017 £*
Finished goods and goods for resale	**1,438,409**	*1,662,233*
	1,438,409	*1,662,233*

7. Debtors

	2018 £	*2017 £*
Trade debtors	**1,713,433**	*1,652,711*
Other debtors	**54,215**	*34,640*
Prepayments and accrued income	**146,156**	*171,439*
	1,913,804	*1,858,790*

8. Cash and cash equivalents

	2018 £	*2017 £*
Cash at bank and in hand	**283,206**	*381,340*
	283,206	*381,340*

9. Creditors: Amounts falling due within one year

	2018 £	*2017 £*
Trade creditors	**725,928**	*717,975*
Amounts owed to group undertakings	**579,037**	*704,299*
Corporation tax	-	*12,482*
Other taxation and social security	**254,251**	*271,044*
Obligations under finance lease and hire purchase contracts	**3,090**	*6,609*
Other creditors	**108,221**	*211,109*
Accruals and deferred income	**1,116,281**	*1,166,232*
	2,786,808	*3,089,750*

Obligations under finance lease and hire purchase contracts are secured by a fixed charge over the assets concerned.

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

	2018 £	*2017 £*
Amount owed to group undertakings	**200,000**	*300,000*
Net obligations under finance leases and hire purchase contracts	-	*2,972*
	200,000	*302,972*

Obligations under finance lease and hire purchase contracts are secured by a fixed charge over the assets concerned.

Amounts owed to group undertakings is charged interest at LIBOR +1.3%.

11. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2018 £	*2017 £*
Within one year	**3,090**	*6,609*
Between 1-5 years	-	*2,971*
	3,090	*9,580*

12. Deferred taxation

	2018 £	*2017 £*
At beginning of year	**(62,146)**	*(65,610)*
Credited to the profit or loss	**8,872**	*3,464*
At end of year	**(53,274)**	*(62,146)*

The provision for deferred taxation is made up as follows:

	2018 £	*2017 £*
Accelerated capital allowances	**(53,274)**	*(62,146)*
	(53,274)	*(62,146)*

13. Share capital

	2018	*2017*
	£	*£*
Allotted, called up and partly paid		
1 *(2017 - 1)* Ordinary share of £1.00	**1**	*1*

14. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. At 31 December 2018 there were £11,588 (2017 - £11,529) outstanding contributions included in other creditors in the balance sheet.

15. Commitments under operating leases

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

	2018	*2017*
	£	*£*
Land and building		
Not later than 1 year	**172,656**	*172,656*
Later than 1 year and not later than 5 years	**690,624**	*690,624*
Later than 5 years	**1,035,936**	*1,208,592*
	1,899,216	*2,071,872*

	2018	*2017*
	£	*£*
Other assets		
Not later than 1 year	**106,305**	*104,577*
Later than 1 year and not later than 5 years	**65,895**	*103,099*
	172,200	*207,676*

16. Related party transactions

The company is a wholly owned subsidiary of RPS S.p.A, and the company has taken advantage of the exemption available in FRS 102 (section 33) from disclosing related party transactions and balances with other wholly owned group entities.

17. Controlling party

The company's parent undertaking is RPS S.p.A, a company registered in Italy. The ultimate parent undertaking is Riello Elettronica S.p.A., a company registered in Italy. The ultimate controlling party is Pierantonio Riello by virtue of his interest in the ultimate parent undertaking.

18. Auditors' information

As the Statement of income and retained earnings and the directors' report has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006.

The audit report was unqualified.
The senior statutory auditor was Jonathan Dudley.
The auditor was Dains LLP.