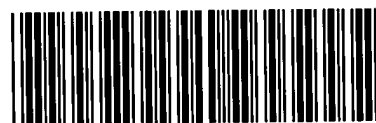


REGISTERED NUMBER: 00620459 (England and Wales)

Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 December 2017
for
Newton Technology Group plc

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Contents of the Consolidated Financial Statements
for the Year Ended 31 December 2017

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Newton Technology Group plc
Company Information
for the Year Ended 31 December 2017

DIRECTORS:

I McNulty
R G McInnes

SECRETARY:

Mrs C McNulty

REGISTERED OFFICE:

Newton Hall
Newton
Cambridgeshire
CB22 7ZE

REGISTERED NUMBER:

00620459 (England and Wales)

AUDITORS:

Hardcastle Burton LLP
Lake House
Market Hill
Royston
Hertfordshire
SG8 9JN

Newton Technology Group plc (Registered number: 00620459)

Report of the Directors
for the Year Ended 31 December 2017

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2017.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the manufacture and supply of production equipment to the compound semi-conductor and optical fibre industries, together with the provision of design and engineering services to associated businesses and third parties.

REVIEW OF BUSINESS

2017 saw the predicted growth in the optical fibre market materialise. We anticipate strong and continued growth in 2018 and beyond. We continue to invest heavily in research and development for the optical fibre industry.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

I McNulty
R G McInnes

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Hardcastle Burton LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Newton Technology Group plc (Registered number: 00620459)

Report of the Directors
for the Year Ended 31 December 2017

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'I McNulty', written over a dotted line.

I McNulty - Director

Date: 13 JUNE 2018

Report of the Independent Auditors to the Members of
Newton Technology Group plc

Opinion

We have audited the financial statements of Newton Technology Group plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Consolidated Income Statement, Consolidated Balance Sheet, Company Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

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 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 in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Opinion 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Newton Technology Group plc

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Group Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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's and the 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 either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Auditors 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 Report of the Auditors.



Martin Law (Senior Statutory Auditor)
for and on behalf of Hardcastle Burton LLP
Lake House
Market Hill
Royston
Hertfordshire
SG8 9JN

Date: 17/6/2018

Newton Technology Group plc (Registered number: 00620459)

Consolidated Income Statement
for the Year Ended 31 December 2017

	Notes	31.12.17 £	31.12.16 £
TURNOVER	3	7,044,542	4,951,828
Cost of sales		<u>4,744,318</u>	<u>3,287,025</u>
GROSS PROFIT		2,300,224	1,664,803
Administrative expenses		<u>1,667,649</u>	<u>1,364,245</u>
		632,575	300,558
Other operating income	4	<u>21,233</u>	<u>2,318</u>
OPERATING PROFIT	6	653,808	302,876
Interest payable and similar expenses		<u>198</u>	<u>64</u>
PROFIT BEFORE TAXATION		653,610	302,812
Tax on profit		<u>(10,947)</u>	<u>(63,187)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>664,557</u>	<u>365,999</u>
Profit attributable to: Owners of the parent		<u>664,557</u>	<u>365,999</u>

The notes form part of these financial statements

Newton Technology Group plc (Registered number: 00620459)

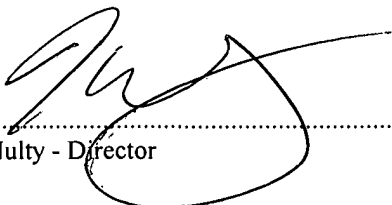
Consolidated Balance Sheet

31 December 2017

	Notes	31.12.17 £	£	31.12.16 £	£
FIXED ASSETS					
Intangible assets	8		-		-
Tangible assets	9		375,241		226,637
Investments	10		-		-
			<u>375,241</u>		<u>226,637</u>
CURRENT ASSETS					
Stocks	11	236,796		258,807	
Debtors	12	4,649,865		2,710,175	
Cash at bank and in hand		13,666		809,369	
		<u>4,900,327</u>		<u>3,778,351</u>	
CREDITORS					
Amounts falling due within one year	13	<u>2,037,731</u>		<u>1,431,708</u>	
NET CURRENT ASSETS			<u>2,862,596</u>		<u>2,346,643</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,237,837</u>		<u>2,573,280</u>
CAPITAL AND RESERVES					
Called up share capital	15		233,400		233,400
Revaluation reserve	16		2,713		3,192
Capital reserve			276,597		276,597
Retained earnings			<u>2,725,127</u>		<u>2,060,091</u>
SHAREHOLDERS' FUNDS			<u>3,237,837</u>		<u>2,573,280</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 13 JUNE 2018 and were signed on its behalf by:



 I McNulty - Director

The notes form part of these financial statements

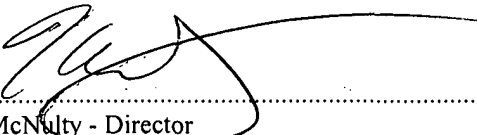
Newton Technology Group plc (Registered number: 00620459)

Company Balance Sheet
31 December 2017

	Notes	31.12.17 £	£	31.12.16 £	£
FIXED ASSETS					
Intangible assets	8		-		-
Tangible assets	9		32,888		25,658
Investments	10		230,402		230,402
			<u>263,290</u>		<u>256,060</u>
CURRENT ASSETS					
Debtors	12	1,700,259		1,726,445	
Cash at bank		77,529		64,401	
		<u>1,777,788</u>		<u>1,790,846</u>	
CREDITORS					
Amounts falling due within one year	13	77,619		74,658	
NET CURRENT ASSETS			<u>1,700,169</u>		<u>1,716,188</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,963,459</u>		<u>1,972,248</u>
CAPITAL AND RESERVES					
Called up share capital	15		233,400		233,400
Retained earnings			1,730,059		1,738,848
SHAREHOLDERS' FUNDS			<u>1,963,459</u>		<u>1,972,248</u>
Company's loss for the financial year			<u>(8,789)</u>		<u>(5,904)</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 13 JUNE 2018 and were signed on its behalf by:


.....
I McNulty - Director

The notes form part of these financial statements

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2017

1. STATUTORY INFORMATION

Newton Technology Group plc is a private company, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Basis of consolidation

The consolidated accounts include the company and its subsidiaries. The results of the subsidiaries acquired during the year are included in the consolidated profit and loss account from the date of their acquisition. Intra group sales and profits are eliminated on consolidation and all sales and profit figures relate to external transactions only.

The difference between the net asset value and the purchase price of the subsidiary company at the date of acquisition is included in the consolidated balance sheet as either reserves arising on consolidation or goodwill.

Turnover and long term contracts

When the group enters into long term contracts with customers, turnover is accounted for on a "percentage of completion method" to determine the appropriate amount to be recognised in a given period. The stage of completion is measured by reference to the value attributed to the stage of completion at the balance sheet date as a percentage of the total contract value. Costs incurred in the period in connection with future activity on a contract are excluded from contract costs in the determining the stage of completion. They are presented as stock and work in progress.

The group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed amounts invoiced. Amounts invoiced which are not yet paid by customers and retentions are included within debtors.

The group presents as a liability the gross amount due to customers from contract work for all contracts in progress for which amounts received exceed costs incurred plus recognised profits (less recognised losses).

When the outcome of a contract cannot be estimated reliably, contract turnover is recognised only to the extent of contract costs incurred that are likely to be recoverable.

When the outcome of a contract can be estimated reliably, and it is probable that the contract will be profitable, contract turnover is recognised over the period of the contract. When it is probable the total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Other goods sold are recognised as turnover when title passes to the customer.

Goodwill

In 2003, 50% of the goodwill was written off due to a downturn in demand for the group's products. The original estimation of the useful economic life of 20 years has been changed to 5 years from 1 January 2003.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of nil years.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 20% on reducing balance and 4% on cost
Plant and machinery	- 25% on reducing balance, 20% on reducing balance and 10% on cost
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on reducing balance and 20% on reducing balance

Stocks and work in progress

Stock and work in progress is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Development costs have been incurred on various specific projects. These costs are either capitalised or written off dependant on the directors view of the useful economic life of the project.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet and depreciated over their estimated useful lives.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Investments

Investments are included at their historical cost taking into account permanent diminution in value.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

2. ACCOUNTING POLICIES - continued

Going concern

The accounts have been drawn up on the going concern basis which assumes that continued financial support for the group, currently provided by the directors and related parties who are also the shareholders, continues.

The directors will continue to monitor cashflow carefully over the next twelve months to ensure that actions are taken in the best interests of the group. The directors have drawn up the accounts on a going concern basis which assumes that the group can continue to trade within agreed level of borrowings (taking into account support from the directors, shareholders and related parties) over the next twelve months.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

	31.12.17	31.12.16
	£	£
Fibre optical engineering	6,803,844	4,792,927
Precision engineering	215,426	119,791
Semi-conductor spares	25,272	39,110
	<u>7,044,542</u>	<u>4,951,828</u>

An analysis of turnover by geographical market is given below:

	31.12.17	31.12.16
United Kingdom	7.33%	7.93%
Asia	83.98%	88.49%
Europe	1.03%	2.58%
Rest of World	7.67%	0.99%
	<u>100.00%</u>	<u>100.00%</u>

4. OTHER OPERATING INCOME

	31.12.17	31.12.16
	£	£
Sundry receipts	<u>21,233</u>	<u>2,318</u>

5. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 51 (2016: 45).

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

6. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.17	31.12.16
	£	£
Hire of plant and machinery	4,811	3,674
Depreciation - owned assets	32,529	24,697
Auditors' remuneration	18,000	17,500
	<u> </u>	<u> </u>

7. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

8. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Patents and licences £	Totals £
COST			
At 1 January 2017			
and 31 December 2017	<u>865,251</u>	<u>2,101,000</u>	<u>2,966,251</u>
AMORTISATION			
At 1 January 2017			
and 31 December 2017	<u>865,251</u>	<u>2,101,000</u>	<u>2,966,251</u>
NET BOOK VALUE			
At 31 December 2017	<u> </u>	<u> </u>	<u> </u>
At 31 December 2016	<u> </u>	<u> </u>	<u> </u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

8. INTANGIBLE FIXED ASSETS - continued

Company

	Goodwill £	Patents and licences £	Totals £
COST			
At 1 January 2017 and 31 December 2017	865,251	2,101,000	2,966,251
AMORTISATION			
At 1 January 2017 and 31 December 2017	865,251	2,101,000	2,966,251
NET BOOK VALUE			
At 31 December 2017	-	-	-
At 31 December 2016	-	-	-

9. TANGIBLE FIXED ASSETS

Group

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST OR VALUATION			
At 1 January 2017	952,589	1,125,812	465,090
Additions	-	173,098	-
Disposals	-	(20,500)	-
At 31 December 2017	952,589	1,278,410	465,090
DEPRECIATION			
At 1 January 2017	751,916	1,118,998	465,090
Charge for year	9,392	17,815	-
Eliminated on disposal	-	(19,995)	-
At 31 December 2017	761,308	1,116,818	465,090
NET BOOK VALUE			
At 31 December 2017	191,281	161,592	-
At 31 December 2016	200,673	6,814	-

Newton Technology Group plc (Registered number: 00620459)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

9. TANGIBLE FIXED ASSETS - continued

Group

	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION			
At 1 January 2017	21,900	17,080	2,582,471
Additions	8,540	-	181,638
Disposals	(1,250)	-	(21,750)
	<hr/>	<hr/>	<hr/>
At 31 December 2017	29,190	17,080	2,742,359
DEPRECIATION			
At 1 January 2017	2,750	17,080	2,355,834
Charge for year	5,322	-	32,529
Eliminated on disposal	(1,250)	-	(21,245)
	<hr/>	<hr/>	<hr/>
At 31 December 2017	6,822	17,080	2,367,118
NET BOOK VALUE			
At 31 December 2017	22,368	-	375,241
	<hr/>	<hr/>	<hr/>
At 31 December 2016	19,150	-	226,637
	<hr/>	<hr/>	<hr/>

Cost or valuation at 31 December 2017 is represented by:

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
Valuation in 1992	-	53,000	-
Valuation in 2000	-	151,520	3,500
Cost	952,589	1,073,890	461,590
	<hr/>	<hr/>	<hr/>
	952,589	1,278,410	465,090
	<hr/>	<hr/>	<hr/>
	Motor vehicles £	Computer equipment £	Totals £
Valuation in 1992	-	-	53,000
Valuation in 2000	-	-	155,020
Cost	29,190	17,080	2,534,339
	<hr/>	<hr/>	<hr/>
	29,190	17,080	2,742,359
	<hr/>	<hr/>	<hr/>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

9. TANGIBLE FIXED ASSETS - continued

Group

If plant and machinery had not been revalued it would have been included at the following historical cost:

	31.12.17 £	31.12.16 £
Cost	489,831	344,233
Aggregate depreciation	393,507	343,441

Company

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 January 2017	63,760	-	369,283	20,400	453,443
Additions	-	7,000	-	8,540	15,540
Disposals	-	-	-	(1,250)	(1,250)
At 31 December 2017	63,760	7,000	369,283	27,690	467,733
DEPRECIATION					
At 1 January 2017	57,252	-	369,283	1,250	427,785
Charge for year	2,550	438	-	5,322	8,310
Eliminated on disposal	-	-	-	(1,250)	(1,250)
At 31 December 2017	59,802	438	369,283	5,322	434,845
NET BOOK VALUE					
At 31 December 2017	3,958	6,562	-	22,368	32,888
At 31 December 2016	6,508	-	-	19,150	25,658

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

10. FIXED ASSET INVESTMENTS

Company	Other Investments £
COST	
At 1st January 2017	
and 31st December 2017	<u>230,402</u>
NET BOOK VALUE	
At 31st December 2017	<u>230,402</u>
At 31st December 2016	<u>230,402</u>

The group or the company's investment at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Delta Design & Engineering Limited

Registered Office: Newton Hall
Newton
Cambridgeshire
CB22 7ZE

Nature of business: Engineering

Class of shares: % holding
£1 Ordinary 100.00%

S G Controls Limited

Registered Office: Newton Hall
Newton
Cambridgeshire
CB22 7ZE

Nature of business: Optical Fibre

Class of shares: % holding
£1 Ordinary 100.00%

Metals Research Limited

Registered Office: Newton Hall
Newton
Cambridgeshire
CB22 7ZE

Nature of business: Semiconductor

Class of shares: % holding

Newton Technology Group plc (Registered number: 00620459)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

£1 Ordinary 100.00%

Newton Technical Services Limited

Registered Office: Newton Hall
Newton
Cambridgeshire
CB22 7ZE

Nature of business: Fibre Optic Engineering

Class of shares: % holding
£1 Ordinary 100.00%

The principal country of operation of the above companies is the United Kingdom, and they are all registered in England. All companies have an accounting period to 31 December 2017.

The activities of the subsidiary undertakings are principally the manufacture and supply of production equipment to the semi-conductor and fibre-optic industries, together with precision engineering and laser robotic applications.

11. STOCKS

	Group	
	31.12.17	31.12.16
	£	£
Stock and work in progress	236,796	258,807

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.17	31.12.16	31.12.17	31.12.16
	£	£	£	£
Trade debtors	1,175,311	346,818	-	-
Amounts owed by group undertakings	-	-	1,580,845	1,620,927
Other debtors	125,337	323,473	100,198	79,975
Amounts owed by related undertakings	92,295	58,185	-	-
Amounts recoverable on contracts	3,112,712	1,841,151	-	-
Deferred tax asset	109,812	109,835	-	-
Prepayments and accrued income	34,398	30,713	19,216	25,543
	<u>4,649,865</u>	<u>2,710,175</u>	<u>1,700,259</u>	<u>1,726,445</u>

Newton Technology Group plc (Registered number: 00620459)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.17	31.12.16	31.12.17	31.12.16
	£	£	£	£
Bank loans and overdrafts	132,994	-	-	-
Trade creditors	827,970	560,720	36,620	33,709
Other creditors	158,771	163,328	-	-
Social security and other taxes	46,728	73,066	5,579	7,245
Sundry creditors	1,249	-	725	-
Amounts due to related undertakings	790,458	559,220	15,201	14,919
Loans from related undertakings	52,408	55,126	-	-
Accrued expenses	27,153	20,248	19,494	18,785
	<u>2,037,731</u>	<u>1,431,708</u>	<u>77,619</u>	<u>74,658</u>

14. SECURED DEBTS

There is a cross guarantee and debenture with Newton Technology Group Plc dated 29 November 2016 securing all monies and liabilities, now or in the future, due to Barclays, against all assets of the companies.

There is a limited guarantee of £30,000 provided by Mr Ian McNulty and Mr Randolph Graham McInnes dated 22 June 2017.

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.17	31.12.16
			£	£
700,200	Ordinary	£0.33	<u>233,400</u>	<u>233,400</u>

16. RESERVES

Group		Revaluation reserve
		£
At 1 January 2017		3,192
Adjustment for year		<u>(479)</u>
At 31 December 2017		<u>2,713</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

17. RELATED PARTY DISCLOSURES

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

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

All transactions with other related parties are under normal market conditions.