

**Report of the Directors and**  
**Consolidated Financial Statements for the Year Ended 31 December 2018**  
**for**  
**Newton Technology Group plc**



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**for the Year Ended 31 December 2018**

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**Newton Technology Group plc**  
**Company Information**  
**for the Year Ended 31 December 2018**

**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

**Report of the Directors**  
**for the Year Ended 31 December 2018**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2018.

**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**

The group designs and builds equipments used by manufacturers of optical fibre and by research institutions worldwide. We also conduct research and development in the fields of optical fibre manufacturing techniques and advanced gas handling.

During 2018 the group enjoyed a period of high demand for its optical fibre manufacturing equipment, as potential demand for fibre was seen to grow due to the advent of 5G networks, particularly in developing countries, resulting in an increase in turnover for the year of over £12m, an increase of c. 70% over 2017. Margins were, however, suppressed by competitive pressures and increasing discount demands from customers.

Despite the increase in activity, working capital was managed to consistent levels due to access to UKEF Government support in providing guarantees in respect of advance payments by customers. Consequently, cash flow for the year was strongly positive.

At the end of 2018, we continued to have a strong order and enquiry book. 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 2018 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.

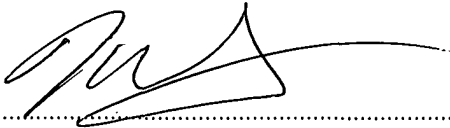
**Report of the Directors**  
**for the Year Ended 31 December 2018**

**AUDITORS**

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

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:**



.....  
I McNulty - Director

Date: 14/6/2019 .....

**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 2018 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).

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 2018 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, 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 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.

**Auditors' 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.



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

Date: 18/6/2019

**Consolidated Income Statement**  
**for the Year Ended 31 December 2018**

	Notes	31.12.18 £	31.12.17 £
<b>TURNOVER</b>	3	12,379,250	7,044,542
Cost of sales		9,240,734	4,744,318
<b>GROSS PROFIT</b>		3,138,516	2,300,224
Administrative expenses		1,817,327	1,667,649
		1,321,189	632,575
Other operating income	4	5,936	21,233
<b>OPERATING PROFIT</b>	6	1,327,125	653,808
Interest receivable and similar income		4	-
		1,327,129	653,808
Interest payable and similar expenses		1,040	198
<b>PROFIT BEFORE TAXATION</b>		1,326,089	653,610
Tax on profit	7	(8,167)	(10,947)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		1,334,256	664,557
Profit attributable to: Owners of the parent		1,334,256	664,557

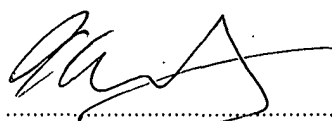


**Consolidated Balance Sheet**  
**31 December 2018**

	Notes	31.12.18 £	£	31.12.17 £	£
<b>FIXED ASSETS</b>					
Intangible assets	9		-		-
Tangible assets	10		365,453		375,241
Investments	11		-		-
			<u>365,453</u>		<u>375,241</u>
<b>CURRENT ASSETS</b>					
Stocks	12	351,134		236,796	
Debtors	13	6,853,951		4,649,865	
Cash at bank and in hand		1,570,615		13,666	
		<u>8,775,700</u>		<u>4,900,327</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	14	4,569,060		2,037,731	
		<u>4,569,060</u>		<u>2,037,731</u>	
<b>NET CURRENT ASSETS</b>			<u>4,206,640</u>		<u>2,862,596</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,572,093</u>		<u>3,237,837</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		233,400		233,400
Revaluation reserve	17		2,306		2,713
Capital reserve			276,597		276,597
Retained earnings			4,059,790		2,725,127
			<u>4,572,093</u>		<u>3,237,837</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>4,572,093</u>		<u>3,237,837</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 14 June 2019 and were signed on its behalf by:

  
.....  
I McNulty - Director

**Company Balance Sheet**  
**31 December 2018**

	Notes	31.12.18	31.12.17
		£	£
<b>FIXED ASSETS</b>			
Intangible assets	9	-	-
Tangible assets	10	56,923	32,888
Investments	11	230,402	230,402
		<u>287,325</u>	<u>263,290</u>
<b>CURRENT ASSETS</b>			
Debtors	13	1,407,840	1,700,259
Cash at bank		358,981	77,529
		<u>1,766,821</u>	<u>1,777,788</u>
<b>CREDITORS</b>			
Amounts falling due within one year	14	94,800	77,619
<b>NET CURRENT ASSETS</b>		<u>1,672,021</u>	<u>1,700,169</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,959,346</u>	<u>1,963,459</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	233,400	233,400
Retained earnings		1,725,946	1,730,059
<b>SHAREHOLDERS' FUNDS</b>		<u>1,959,346</u>	<u>1,963,459</u>
Company's loss for the financial year		<u>(4,113)</u>	<u>(8,789)</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 14 June 2019 and were signed on its behalf by:



I McNulty - Director

**Notes to the Consolidated Financial Statements**  
**for the Year Ended 31 December 2018**

**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 Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" 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 2018**

**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.

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2018**

**2. ACCOUNTING POLICIES - continued**

**Investments**

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

**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:

	31.12.18	31.12.17
	£	£
Fibre optical engineering	12,257,740	6,803,844
Precision engineering	120,239	215,426
Semi-conductor spares	1,271	25,272
	<u>12,379,250</u>	<u>7,044,542</u>

An analysis of turnover by geographical market is given below:

	31.12.18	31.12.17
United Kingdom	2.20%	7.33%
Asia	93.12%	83.98%
Europe	0.16%	1.03%
Rest of World	4.53%	7.67%
	<u>100.00%</u>	<u>100.00%</u>

**4. OTHER OPERATING INCOME**

	31.12.18	31.12.17
	£	£
Sundry receipts	<u>5,936</u>	<u>21,233</u>

**5. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 59 (2017: 51).

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2018**

**6. OPERATING PROFIT**

The operating profit is stated after charging:

	31.12.18	31.12.17
	£	£
Hire of plant and machinery	32,073	4,811
Depreciation - owned assets	50,102	32,529
Auditors' remuneration	27,000	18,000
	<u>          </u>	<u>          </u>

**7. TAXATION**

There is no tax due for the year due to the surrender of group relief of the taxable losses of other companies within the group and the Research and Development relief claims.

**8. 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.

**9. INTANGIBLE FIXED ASSETS**

**Group**

	Goodwill £	Patents and licences £	Totals £
<b>COST</b>			
At 1 January 2018			
and 31 December 2018	<u>865,251</u>	<u>2,101,000</u>	<u>2,966,251</u>
<b>AMORTISATION</b>			
At 1 January 2018			
and 31 December 2018	<u>865,251</u>	<u>2,101,000</u>	<u>2,966,251</u>
<b>NET BOOK VALUE</b>			
At 31 December 2018	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2017	<u>          </u>	<u>          </u>	<u>          </u>

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2018**

**9. INTANGIBLE FIXED ASSETS - continued**

**Company**

	Goodwill £	Patents and licences £	Totals £
<b>COST</b>			
At 1 January 2018			
and 31 December 2018	865,251	2,101,000	2,966,251
<b>AMORTISATION</b>			
At 1 January 2018			
and 31 December 2018	865,251	2,101,000	2,966,251
<b>NET BOOK VALUE</b>			
At 31 December 2018	-	-	-
At 31 December 2017	-	-	-

**10. TANGIBLE FIXED ASSETS**

**Group**

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
<b>COST OR VALUATION</b>			
At 1 January 2018	952,589	1,278,410	465,090
Additions	-	11,289	-
At 31 December 2018	952,589	1,289,699	465,090
<b>DEPRECIATION</b>			
At 1 January 2018	761,308	1,116,818	465,090
Charge for year	8,092	40,574	-
At 31 December 2018	769,400	1,157,392	465,090
<b>NET BOOK VALUE</b>			
At 31 December 2018	183,189	132,307	-
At 31 December 2017	191,281	161,592	-

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2018**

**10. TANGIBLE FIXED ASSETS - continued**

**Group**

	Motor vehicles £	Computer equipment £	Totals £
<b>COST OR VALUATION</b>			
At 1 January 2018	29,190	17,080	2,742,359
Additions	29,025	-	40,314
At 31 December 2018	58,215	17,080	2,782,673
<b>DEPRECIATION</b>			
At 1 January 2018	6,822	17,080	2,367,118
Charge for year	1,436	-	50,102
At 31 December 2018	8,258	17,080	2,417,220
<b>NET BOOK VALUE</b>			
At 31 December 2018	49,957	-	365,453
At 31 December 2017	22,368	-	375,241

Cost or valuation at 31 December 2018 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	1,085,179	461,590
	952,589	1,289,699	465,090

	Motor vehicles £	Computer equipment £	Totals £
Valuation in 1992	-	-	53,000
Valuation in 2000	-	-	155,020
Cost	58,215	17,080	2,574,653
	58,215	17,080	2,782,673

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

	31.12.18 £	31.12.17 £
Cost	501,120	489,831
Aggregate depreciation	443,719	393,507



**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2018**

**10. TANGIBLE FIXED ASSETS - continued**

**Company**

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 January 2018	63,760	7,000	369,283	27,690	467,733
Additions	-	-	-	29,025	29,025
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	63,760	7,000	369,283	56,715	496,758
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>					
At 1 January 2018	59,802	438	369,283	5,322	434,845
Charge for year	1,913	1,641	-	1,436	4,990
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	61,715	2,079	369,283	6,758	439,835
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>					
At 31 December 2018	2,045	4,921	-	49,957	56,923
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2017	3,958	6,562	-	22,368	32,888
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2018**

**11. FIXED ASSET INVESTMENTS**

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

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  
£1 Ordinary 100.00%

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2018**

**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.

**12. STOCKS**

	<b>Group</b>	
	31.12.18	31.12.17
	£	£
Stock and work in progress	351,134	236,796

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	31.12.18	31.12.17	31.12.18	31.12.17
	£	£	£	£
Trade debtors	1,521,861	1,175,311	-	-
Amounts owed by group undertakings	-	-	1,125,563	1,580,845
Other debtors	272,886	125,337	263,551	100,198
Amounts owed by related undertakings	149,564	92,295	-	-
Amounts recoverable on contracts	4,223,710	3,112,712	-	-
Deferred tax asset	109,812	109,812	-	-
Prepayments and accrued income	576,118	34,398	18,726	19,216
	<u>6,853,951</u>	<u>4,649,865</u>	<u>1,407,840</u>	<u>1,700,259</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2018**

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	31.12.18	31.12.17	31.12.18	31.12.17
	£	£	£	£
Bank loans and overdrafts	-	132,994	-	-
Trade creditors	1,735,435	827,970	29,021	36,620
Other creditors	161,424	158,771	-	-
Customer advances	1,513,884	-	-	-
Social security and other taxes	65,051	46,728	8,314	5,579
Sundry creditors	2,730	1,249	1,080	725
Amounts due to related undertakings	846,027	790,458	19,662	15,201
Loans from related undertakings	52,408	52,408	-	-
Accrued expenses	192,101	27,153	36,723	19,494
	<u>4,569,060</u>	<u>2,037,731</u>	<u>94,800</u>	<u>77,619</u>

**15. 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.

**16. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.18	31.12.17
			£	£
700,200	Ordinary	£0.33	<u>233,400</u>	<u>233,400</u>

**17. RESERVES**

<b>Group</b>	<b>Revaluation reserve</b>
	£
At 1 January 2018	2,713
Adjustment for year	(407)
	<u>2,306</u>
At 31 December 2018	<u>2,306</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2018**

**18. 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.

**19. FINANCIAL COMMITMENTS**

Customer advances (See note 16) have arisen in conjunction with advance payment guarantee commitments given by the company's bankers. The bank has recourse to the company in the event that the company does not fulfil its obligations in delivery of goods to the customers.