

Financial Statements for the Year Ended 31 December 2019

for

NHC Technology Limited



NHC Technology Limited

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for the Year Ended 31 December 2019

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NHC Technology Limited
Company Information
for the Year Ended 31 December 2019

DIRECTORS:

P J Ellin
Mrs L Parry

SECRETARY:

Miss J Davies

REGISTERED OFFICE:

Unit 1 Colomendy Industrial Estate
Rhyl Road
Denbigh
Denbighshire
Clwyd
LL16 5TS

REGISTERED NUMBER:

01562213 (England and Wales)

AUDITORS:

JWR Audit Limited
Statutory Auditor
24 Picton House
Hussar Court
Waterlooville
Hampshire
PO7 7SQ

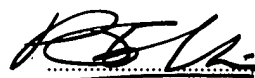
Balance Sheet
31 December 2019

	Notes	31.12.19 £	31.12.18 £
FIXED ASSETS			
Intangible assets	4	-	-
Tangible assets	5	1,860,088	1,665,542
Investment property	6	620,000	620,000
		<u>2,480,088</u>	<u>2,285,542</u>
CURRENT ASSETS			
Stocks		1,136,184	1,197,152
Debtors	7	384,587	123,369
Cash in hand		4,395	4,145
		<u>1,525,166</u>	<u>1,324,666</u>
CREDITORS			
Amounts falling due within one year	8	(563,995)	(712,500)
NET CURRENT ASSETS		<u>961,171</u>	<u>612,166</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,441,259</u>	<u>2,897,708</u>
CREDITORS			
Amounts falling due after more than one year	9	(158,896)	(35,369)
PROVISIONS FOR LIABILITIES		<u>(254,644)</u>	<u>(208,566)</u>
NET ASSETS		<u><u>3,027,719</u></u>	<u><u>2,653,773</u></u>
CAPITAL AND RESERVES			
Called up share capital		50	50
Share premium		215,675	215,675
Revaluation reserve	10	753,085	757,425
Other reserves		1,000	1,000
Retained earnings		2,057,909	1,679,623
SHAREHOLDERS' FUNDS		<u><u>3,027,719</u></u>	<u><u>2,653,773</u></u>

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 14th October 2020 and were signed on its behalf by:


P J Ellin - Director

The notes form part of these financial statements

NHC Technology Limited
Notes to the Financial Statements
for the Year Ended 31 December 2019

1. **STATUTORY INFORMATION**

NHC Technology Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

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.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

Turnover

Turnover represents the value of goods sold and services supplied to customers during the year net of discounts and value added tax. Turnover is recognised upon delivery of goods. Turnover on services is recognised on completion of the service at the customers' premises.

Patents and trademarks

Where appropriate expenditure on trademarks is written off in the year in which it is incurred.

The cost of patents are amortised over their expected useful economic lives on a straight line basis. Any permanent impairment in carrying value is written off through the profit and loss account.

Tangible fixed assets

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

Freehold property	- 2% on cost
Plant and machinery	- at varying rates on cost
Fixtures and fittings	- at varying rates on cost
Motor vehicles	- 25% on cost

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is determined on a first in first out basis.

The cost of finished goods and goods for resale comprises of materials, direct labour and attributable production overheads. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the 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.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

2. **ACCOUNTING POLICIES - continued**

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

Expenditure on research and development is written off in the year in which it is incurred.

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

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

Pension costs and other post-retirement benefits

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

Going concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the directors report in the consolidated financial statements.

The company is expected to continue to generate positive cash flows on its own accounts for the foreseeable future. The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The directors, having assessed the responses of the directors of the company's parent NHC Holdings Limited to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the NHC Holdings Limited group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of NHC Holdings Limited, the company directors have a reasonable expectation that the company will be able to continue in the operational existence for the foreseeable future. Thus the going concern basis of accounting in preparing the annual financial statements has been used.

Warranty provision

Provision is made for liabilities arising in respect of expected warranty claims.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 67 (2018 - 62).

NHC Technology Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

4. **INTANGIBLE FIXED ASSETS**

	Other intangible assets £
COST	
At 1 January 2019 and 31 December 2019	200,000
AMORTISATION	
At 1 January 2019 and 31 December 2019	200,000
NET BOOK VALUE	
At 31 December 2019	-
At 31 December 2018	-

5. **TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 January 2019	1,501,802	812,768	375,410	280,671	2,970,651
Additions	-	100,600	2,518	260,795	363,913
Disposals	-	-	-	(57,030)	(57,030)
At 31 December 2019	1,501,802	913,368	377,928	484,436	3,277,534
DEPRECIATION					
At 1 January 2019	73,311	748,517	280,165	203,116	1,305,109
Charge for year	37,545	30,205	14,302	85,478	167,530
Eliminated on disposal	-	-	-	(55,193)	(55,193)
At 31 December 2019	110,856	778,722	294,467	233,401	1,417,446
NET BOOK VALUE					
At 31 December 2019	1,390,946	134,646	83,461	251,035	1,860,088
At 31 December 2018	1,428,491	64,251	95,245	77,555	1,665,542

The freehold property was revalued by Knight Frank LLP in February 2017 and was valued at £1,475,000.

If the freehold properties had not been revalued, they would have been included in the balance sheet at cost of £1,287,476 (2018: £1,260,674) and cumulative depreciation of £94,696 (2018: £62,595)

The net book value of assets held on finance leases and hire purchase contracts is £281,220 (2018: £74,747). The depreciation charge for the year for fixed assets held on finance leases and hire purchase contracts is £85,327 (2018: £36,013).

NHC Technology Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

5. **TANGIBLE FIXED ASSETS - continued**

Cost or valuation at 31 December 2019 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2015	14,462	-	-	-	14,462
Valuation in 2016	199,864	-	-	-	199,864
Cost	1,287,476	913,368	377,928	484,436	3,063,208
	<u>1,501,802</u>	<u>913,368</u>	<u>377,928</u>	<u>484,436</u>	<u>3,277,534</u>

If freehold properties had not been revalued they would have been included at the following historical cost:

	31.12.19 £	31.12.18 £
Cost	<u>1,287,476</u>	<u>1,287,476</u>
Aggregate depreciation	<u>94,696</u>	<u>62,595</u>
Value of land in freehold land and buildings	<u>40,921</u>	<u>40,921</u>

6. **INVESTMENT PROPERTY**

	Total £
FAIR VALUE	
At 1 January 2019 and 31 December 2019	<u>620,000</u>
NET BOOK VALUE	
At 31 December 2019	<u>620,000</u>
At 31 December 2018	<u>620,000</u>

Fair value at 31 December 2019 is represented by:

	£
Valuation in 2015	195,000
Valuation in 2016	145,000
Cost	280,000
	<u>620,000</u>

The site at Ruthin was reclassified as an investment property in 2016 and was revalued in March 2017 at an open market value of £620,000.

NHC Technology Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

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

	31.12.19	31.12.18
	£	£
Trade debtors	24,923	51,753
Amounts owed by group undertakings	240,636	-
Other debtors	119,028	71,616
	<u>384,587</u>	<u>123,369</u>

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

	31.12.19	31.12.18
	£	£
Bank loans and overdrafts	6,646	589
Hire purchase contracts	97,675	32,693
Trade creditors	219,370	330,374
Amounts owed to group undertakings	-	114,533
Taxation and social security	83,433	90,811
Other creditors	156,871	143,500
	<u>563,995</u>	<u>712,500</u>

A provision has been recognised for expected claims against product guarantees. It is expected that this expenditure will be incurred over the period of the guarantee. The provision, the amount of which has not been disclosed as it is considered to be commercially sensitive, has not been discounted since the effect of discounting is not material.

9. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.12.19	31.12.18
	£	£
Hire purchase contracts	<u>158,896</u>	<u>35,369</u>

10. **RESERVES**

Share Premium

This reserve records the amount above the nominal value of shares sold, less transaction costs.

Revaluation reserve

The revaluation reserve relates to a surplus on revaluation of freehold properties.

Share Capital Redemption

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

11. **DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was unqualified.

K S Wood (Senior Statutory Auditor)
for and on behalf of JWR Audit Limited

12. **CONTINGENT LIABILITIES**

The company has given composite cross guarantees relating to the bank borrowing of certain subsidiary companies. These borrowings amounted to £nil at the year end.

NHC Technology Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

13. 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.

NHC Holdings Limited, whose registered office is the same as NHC Technology Limited, is the ultimate parent company and draws up consolidated group financial statements of which NHC Technology Limited is a member.

14. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the board of directors.