

Company Registration No. 03005203 (England and Wales)

NORTHUMBRIA OPTICAL COATINGS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2018

PAGES FOR FILING WITH REGISTRAR

NORTHUMBRIA OPTICAL COATINGS LIMITED

CONTENTS

	Page
Balance sheet	1 - 2
Statement of changes in equity	3
Notes to the financial statements	4 - 11

NORTHUMBRIA OPTICAL COATINGS LIMITED

BALANCE SHEET

AS AT 31 MAY 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Intangible assets	3		32,400		17,787
Tangible assets	4		459,353		391,437
Investments	5		50,000		-
			<u>541,753</u>		<u>409,224</u>
Current assets					
Stocks		194,967		166,369	
Debtors	6	345,417		492,551	
Cash at bank and in hand		364,684		304,443	
		<u>905,068</u>		<u>963,363</u>	
Creditors: amounts falling due within one year	7	<u>(184,909)</u>		<u>(209,109)</u>	
Net current assets			<u>720,159</u>		<u>754,254</u>
Total assets less current liabilities			<u>1,261,912</u>		<u>1,163,478</u>
Creditors: amounts falling due after more than one year	8		-		(1,650)
Provisions for liabilities			(72,649)		(59,544)
Deferred income			(35,113)		(29,546)
Net assets			<u>1,154,150</u>		<u>1,072,738</u>
Capital and reserves					
Called up share capital	10		30		30
Share premium account			5,970		5,970
Capital redemption reserve			70		70
Profit and loss reserves			<u>1,148,080</u>		<u>1,066,668</u>
Total equity			<u>1,154,150</u>		<u>1,072,738</u>

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

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

NORTHUMBRIA OPTICAL COATINGS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MAY 2018

The financial statements were approved by the board of directors and authorised for issue on 27 February 2019 and are signed on its behalf by:

Mr N J Gilland
Director

Company Registration No. 03005203

NORTHUMBRIA OPTICAL COATINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2018

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 June 2016		30	5,970	70	975,603	981,673
Year ended 31 May 2017:						
Profit and total comprehensive income for the year		-	-	-	178,065	178,065
Dividends		-	-	-	(87,000)	(87,000)
Balance at 31 May 2017		30	5,970	70	1,066,668	1,072,738
Year ended 31 May 2018:						
Profit and total comprehensive income for the year		-	-	-	207,412	207,412
Dividends		-	-	-	(126,000)	(126,000)
Balance at 31 May 2018		30	5,970	70	1,148,080	1,154,150

NORTHUMBRIA OPTICAL COATINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies

Company information

Northumbria Optical Coatings Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 10 Burford Way, Boldon Business Park, Boldon, Tyne and Wear, England, NE35 9PZ.

1.1 Accounting convention

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

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

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

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. Where there are contracts which are gradually performed over time, revenue is recognised by reference to an assessment of the fair value of the services provided as a proportion of the total fair value of the contract. Revenue on finished goods relating to orders expected to complete within 3 months of the year-end is recognised in full on completion of production. For finished goods in respect of orders not expected to complete until after 3 months of the year-end, revenue is recognised at selling price less estimated margin.

1.3 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred.

1.4 Intangible fixed assets - goodwill

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 6 years.

1.5 Intangible fixed assets other than goodwill

Website development costs which will generate future economic benefits are capitalised in the balance sheet as an intangible fixed asset and are defined as having a finite useful life. Intangible assets are stated at cost less amortisation and are reviewed for impairment whenever there is an indication that the carrying value may be impaired.

1.6 Tangible fixed assets

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

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

Improvements to property	15% on cost
Plant and machinery	15% on cost
Fixtures and fittings	15% on cost

NORTHUMBRIA OPTICAL COATINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Fixed asset investments

Investments in non-puttable ordinary shares which are not publicly traded and for which the fair value cannot be measured reliably are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1.8 Stocks

Stocks of raw materials are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Total finished goods with no current customer order coverage are valued at 10% of sales value. This reflects the low demand for these products and accounts for the likelihood of a large proportion of these goods remaining unsold. Older reclaimed and overrun filters are valued at £15 per filter, being the estimated of the cost of bringing the filters to their present location and condition.

1.9 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

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

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

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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

NORTHUMBRIA OPTICAL COATINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 Taxation

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

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.13 Retirement benefits

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

NORTHUMBRIA OPTICAL COATINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies

(Continued)

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.15 Government grants

Grants of a capital nature are credited to a reserve and released to the profit and loss account over the useful life of the assets concerned. Grants which are revenue in nature are released to the profit and loss account over the period to which they relate.

1.16 Foreign exchange

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

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 22 (2017 - 21).

3 Intangible fixed assets

	Goodwill £	Other £	Total £
Cost			
At 1 June 2017	254,000	-	254,000
Additions	-	32,400	32,400
	<hr/>	<hr/>	<hr/>
At 31 May 2018	254,000	32,400	286,400
	<hr/>	<hr/>	<hr/>
Amortisation and impairment			
At 1 June 2017	236,213	-	236,213
Amortisation charged for the year	17,787	-	17,787
	<hr/>	<hr/>	<hr/>
At 31 May 2018	254,000	-	254,000
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 31 May 2018	-	32,400	32,400
	<hr/>	<hr/>	<hr/>
At 31 May 2017	17,787	-	17,787
	<hr/>	<hr/>	<hr/>

NORTHUMBRIA OPTICAL COATINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

4 Tangible fixed assets

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 1 June 2017	233,144	960,337	91,904	1,285,385
Additions	-	216,965	600	217,565
At 31 May 2018	233,144	1,177,302	92,504	1,502,950
Depreciation and impairment				
At 1 June 2017	174,733	658,052	61,163	893,948
Depreciation charged in the year	22,708	117,865	9,076	149,649
At 31 May 2018	197,441	775,917	70,239	1,043,597
Carrying amount				
At 31 May 2018	35,703	401,385	22,265	459,353
At 31 May 2017	58,411	302,286	30,740	391,437

5 Fixed asset investments

	2018 £	2017 £
Investments	50,000	-

Financial assets for which fair value cannot be measured reliably

The £50,000 investment is in Carlton SPV 1 Chilton Limited (residential development) via a Growth Capital Ventures Nominees Limited. The investment is held in the balance sheet at cost less impairment as it is not possible to reliably measure the fair value of the investment. The intended disposal of the investment will be upon completion of the residential development and sale of the completed homes.

NORTHUMBRIA OPTICAL COATINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

5 Fixed asset investments (Continued)

Movements in fixed asset investments

Investments other than loans

	£
Cost or valuation	
At 1 June 2017	-
Additions	50,000
	<hr/>
At 31 May 2018	50,000
	<hr/>
Carrying amount	
At 31 May 2018	50,000
	<hr/> <hr/>
At 31 May 2017	-
	<hr/> <hr/>

6 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	206,359	242,745
Gross amounts owed by contract customers	83,693	127,960
Corporation tax recoverable	-	41,312
Other debtors	7,560	-
Prepayments and accrued income	47,805	80,534
	<hr/>	<hr/>
	345,417	492,551
	<hr/> <hr/>	<hr/> <hr/>

7 Creditors: amounts falling due within one year

	2018 £	2017 £
Notes		
Bank loans and overdrafts	-	16,000
Obligations under hire purchase	-	22,920
Trade creditors	88,675	104,414
Corporation tax	5,855	-
Other taxation and social security	15,235	8,966
Accruals and deferred income	75,144	56,809
	<hr/>	<hr/>
	184,909	209,109
	<hr/> <hr/>	<hr/> <hr/>

The hire purchase totalling £22,920 at 31 May 2017 was secured through a debenture dated 28/03/2014. The hire purchase was fully re-paid in this year and the security has been satisfied.

NORTHUMBRIA OPTICAL COATINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

8 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Bank loans and overdrafts		-	1,650
		<u> </u>	<u> </u>

The bank loan totalling £17,650 at 31 May 2017 was secured by a debenture dated 25/11/2013. There is no balance on the bank loan at 31 May 2018.

9 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	103,317	49,372
	<u> </u>	<u> </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

At 31 May 2018, there is a pension scheme creditor of £nil included within accruals (2017: £4,377).

10 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
30 Ordinary of £1 each	30	30
	<u> </u>	<u> </u>
	30	30
	<u> </u>	<u> </u>

11 Audit report information

As the income statement 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 auditor's report was unqualified.

The senior statutory auditor was John Leonard FCA.

The auditor was Baldwins Audit Services.

NORTHUMBRIA OPTICAL COATINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

12 Operating lease commitments

Lessee

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

2018	2017
£	£
286,842	39,839
<u>286,842</u>	<u>39,839</u>

13 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2018	2017
	£	£
Acquisition of tangible fixed assets	12,600	75,700
	<u>12,600</u>	<u>75,700</u>

14 Directors' transactions

N J Gilland, director and shareholder, has given a personal guarantee to HSBC Bank plc, dated 11 November 2013, for up to £130,000.

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