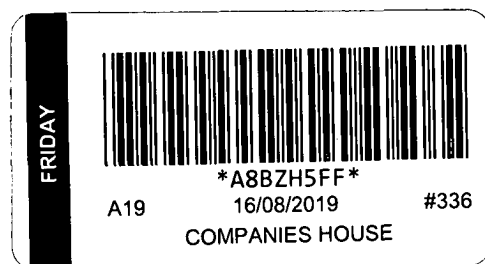


Company Registration No. 01017894 (England and Wales)

CLEVELAND CIRCUITS LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018



CLEVELAND CIRCUITS LIMITED

COMPANY INFORMATION

Directors	Mr A H Gleghorn Mr A M Chiles
Secretary	Mrs K Gleghorn
Company number	01017894
Registered office	Longbeck Road Marske Redcar TS11 6HQ
Accountants	Baldwins (Wynyard) Limited Wynyard Park House Wynyard Avenue Wynyard TS22 5TB

CLEVELAND CIRCUITS LIMITED

CONTENTS

	Page
Directors' report	1
Accountants' report	2
Profit and loss account	3
Balance sheet	4 - 5
Statement of changes in equity	6
Notes to the financial statements	7 - 13

CLEVELAND CIRCUITS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2018

The directors present their annual report and financial statements for the year ended 30 November 2018.

Principal activities

The principal activity of the company continued to be that of the manufacture and sale of printed circuit boards from its dedicated factory in Skelton, North Yorkshire.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A H Gleghorn
Mr A M Chiles

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



Mr A H Gleghorn
Director
26 February 2019

CLEVELAND CIRCUITS LIMITED

REPORT TO THE DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY ACCOUNTS OF CLEVELAND CIRCUITS LIMITED

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Cleveland Circuits Limited for the year ended 30 November 2018 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and the related notes from the company's accounting records and from information and explanations you have given us.

This report is made solely to the Board of Directors of Cleveland Circuits Limited, as a body, in accordance with the terms of our engagement letter dated 5 February 2019. Our work has been undertaken solely to prepare for your approval the financial statements of Cleveland Circuits Limited and state those matters that we have agreed to state to the Board of Directors of Cleveland Circuits Limited, as a body, in this report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Cleveland Circuits Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Cleveland Circuits Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Cleveland Circuits Limited. You consider that Cleveland Circuits Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Cleveland Circuits Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



Baldwins (Wynyard) Limited

Accountants

26 February 2019

Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

CLEVELAND CIRCUITS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 NOVEMBER 2018

		Year ended 30 November 2018 £	Period ended 30 November 2017 £
	Notes		
Turnover		2,259,108	2,348,459
Cost of sales		(1,641,308)	(1,658,836)
Gross profit		617,800	689,623
Distribution costs		(15,801)	(16,281)
Administrative expenses		(614,613)	(563,159)
Other operating income		-	3,154
Intercompany loan write off	2	(1,320,062)	-
HMRC enquiry	2	(210,727)	-
Operating (loss)/profit		(1,543,403)	113,337
Interest receivable and similar income		3,685	-
Interest payable and similar expenses		-	(324)
(Loss)/profit before taxation		(1,539,718)	113,013
Tax on (loss)/profit		5,849	(21,355)
(Loss)/profit for the financial year		(1,533,869)	91,658

CLEVELAND CIRCUITS LIMITED

BALANCE SHEET

AS AT 30 NOVEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	5		126,463		168,809
Current assets					
Stocks		171,041		160,623	
Debtors	6	509,331		2,107,725	
Cash at bank and in hand		1,290,528		1,123,582	
		<u>1,970,900</u>		<u>3,391,930</u>	
Creditors: amounts falling due within one year	7	<u>(1,152,211)</u>		<u>(412,950)</u>	
Net current assets			818,689		2,978,980
Total assets less current liabilities			<u>945,152</u>		<u>3,147,789</u>
Creditors: amounts falling due after more than one year	8		-		(17,919)
Provisions for liabilities			<u>(13,356)</u>		<u>(19,205)</u>
Net assets			<u>931,796</u>		<u>3,110,665</u>
Capital and reserves					
Called up share capital	9		35,797		35,797
Share premium account			41,728		41,728
Capital redemption reserve			33,927		33,927
Profit and loss reserves			<u>820,344</u>		<u>2,999,213</u>
Total equity			<u>931,796</u>		<u>3,110,665</u>

For the financial year ended 30 November 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

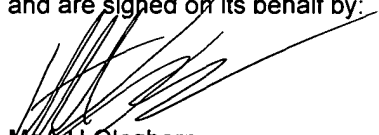
These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

CLEVELAND CIRCUITS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 NOVEMBER 2018

The financial statements were approved by the board of directors and authorised for issue on 26 February 2019 and are signed on its behalf by:



Mr A H Gleghorn
Director

Company Registration No. 01017894

CLEVELAND CIRCUITS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 NOVEMBER 2018

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 February 2017		35,797	41,728	33,927	2,907,555	3,019,007
Period ended 30 November 2017:						
Profit and total comprehensive income for the period		-	-	-	91,658	91,658
Balance at 30 November 2017		35,797	41,728	33,927	2,999,213	3,110,665
Year ended 30 November 2018						
Loss and total comprehensive income for the period		-	-	-	(1,533,869)	(1,533,869)
Dividends		-	-	-	(645,000)	(645,000)
Balance at 30 November 2018		35,797	41,728	33,927	820,344	931,796

CLEVELAND CIRCUITS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2018

1 Accounting policies

Company information

Cleveland Circuits Limited is a private company limited by shares incorporated in England and Wales. The registered office is Longbeck Road, Marske, Redcar, TS11 6HQ.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Reporting period

In the previous year the company chose to change its financial year end to allow the accounts to be completed prior to a key member of staff commencing maternity leave. These accounts covered the ten month period ended 30 November 2017. The current period accounts cover the year ended 30 November 2018 and therefore these figures are not entirely comparable.

1.3 Turnover

Turnover is measured at the fair value of consideration received or receivable and represents amounts receivable in the normal course of business net of VAT and trade discounts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 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 provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and equipment	10% straight line
Fixtures, fittings and equipment	10-33% straight line
Motor Vehicles	20% straight line

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.

CLEVELAND CIRCUITS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2018

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.6 Stocks

Stocks and works in progress 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. The latest purchase price is used to determine the cost of direct materials.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash at bank and in hand

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.

1.8 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.

CLEVELAND CIRCUITS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2018

1 Accounting policies

(Continued)

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.

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.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group 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 receipts discounted at a market rate of interest.

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.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 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.

CLEVELAND CIRCUITS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2018

1 Accounting policies

(Continued)

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

The company operates two defined contribution schemes for the benefit of its employees and directors. Contributions are charged to the profit and loss account in the year they are payable.

1.13 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.

1.14 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets to which they relate. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

2 Exceptional costs

	2018 £	2017 £
HMRC enquiry	210,727	-
Intercompany loan write off	1,320,062	-

Included in exceptional items is an amount relating to the advanced payment of a HMRC enquiry from previous years. The amount paid was originally included within debtors, however the likelihood of recovery is such that the directors consider it necessary to recognise as a cost in these accounts.

Following a group reorganisation in previous years an intercompany loan was generated in CTG Limited and Cleveland Circuits Limited. To simplify the accounts of each company the directors have written the loan off in full.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 41 (2017 - 46).

CLEVELAND CIRCUITS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2018

4 Directors' remuneration

	2018 £	2017 £
Remuneration paid to directors	66,079	62,898

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2017 - 1).

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 December 2017	719,275
Additions	1,017
At 30 November 2018	720,292
Depreciation and impairment	
At 1 December 2017	550,466
Depreciation charged in the year	43,363
At 30 November 2018	593,829
Carrying amount	
At 30 November 2018	126,463
At 30 November 2017	168,809

6 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	440,316	548,067
Corporation tax recoverable	548	548
Amounts owed by group undertakings	59,379	1,340,908
Other debtors	9,088	218,202
	509,331	2,107,725

CLEVELAND CIRCUITS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2018

7 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	210,335	229,730
Amounts owed to group undertakings	825,227	4,463
Corporation tax	-	27,052
Other taxation and social security	80,861	98,053
Other creditors	35,788	53,652
	<u>1,152,211</u>	<u>412,950</u>

8 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Other creditors	-	17,919
	<u>-</u>	<u>17,919</u>

9 Called up share capital

	2018 £	2017 £
Ordinary share capital Issued and fully paid 35,797 ordinary shares of £1 each	35,797	35,797
	<u>35,797</u>	<u>35,797</u>

10 Operating lease commitments

Operating lease payments represent rentals payable by the company for the hire of motor vehicles.

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

	2018 £	2017 £
	19,684	-
	<u>19,684</u>	<u>-</u>

CLEVELAND CIRCUITS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2018

11 Related party transactions

Transactions with related parties

A dividend of £645,000 (November 2017 - £nil) was proposed during the period to Cleveland Technologies Limited, the parent company, this amount was outstanding at the year end.

At the year end there was a balance due from the company to companies under common control of £180,227 (November 2017 - £1,340,905); all of which did not incur an interest charge and each are repayable on demand.

12 Parent company

The parent company of Cleveland Circuits Limited is Cleveland Technologies Limited. The registered office and principal place of business of Cleveland Technologies Limited is Longbeck Road, Marske, Redcar, TS11 6HQ

The ultimate controlling party is Mr A H Gleghorn by virtue of his shareholding in Cleveland Technologies Limited.

CLEVELAND CIRCUITS LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 30 NOVEMBER 2018

CLEVELAND CIRCUITS LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 NOVEMBER 2018

		Year ended 30 November 2018		Period ended 30 November 2017
	£	£	£	£
Turnover				
Sales of goods		2,259,108		2,348,459
Cost of sales				
Packing	4,946		6,678	
Purchases	1,017,808		1,066,041	
Wages and salaries	578,915		551,574	
Social security costs	39,639		34,543	
		<u>(1,641,308)</u>		<u>(1,658,836)</u>
Gross profit	27.35%	617,800	29.36%	689,623
Other operating income				
Government grants receivable and released		-		3,154
Distribution costs	15,801		16,281	
Administrative expenses	614,613		563,159	
		<u>(630,414)</u>		<u>(579,440)</u>
Exceptional items				
Intercompany loan write off	(1,320,062)		-	
HMRC enquiry	(210,727)		-	
		<u>-</u>		<u>-</u>
Operating (loss)/profit		<u>(1,543,403)</u>		<u>113,337</u>
Investment revenues				
Bank interest received	3,685		-	
		<u>3,685</u>		<u>-</u>
Interest payable and similar expenses				
Hire purchase interest payable		-		(324)
(Loss)/profit before taxation	68.16%	<u><u>(1,539,718)</u></u>	4.81%	<u><u>113,013</u></u>

CLEVELAND CIRCUITS LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 30 NOVEMBER 2018

	Year ended 30 November 2018 £	Period ended 30 November 2017 £
Distribution costs		
Postage, courier and delivery charges	15,801	16,281
	<u>15,801</u>	<u>16,281</u>
 Administrative expenses		
Wages and salaries	105,213	114,894
Social security costs	12,548	10,197
Staff welfare	465	397
Staff pension costs defined contribution	22,169	16,929
Directors' remuneration	59,355	38,898
Directors' social security costs	7,196	4,449
Directors' pension costs	6,724	24,000
Management charge	101,855	89,363
Rent	11,065	8,730
Rates	23,934	22,137
Power, light and heat	47,503	35,039
Repairs and maintenance	42,893	47,951
Insurance	25,200	18,378
Hire of equipment	-	1,262
Motor running expenses	4,226	3,265
Travelling expenses	416	429
Legal and professional fees	449	1,144
Consultancy fees	12,248	11,129
Accountancy	7,052	4,972
Bank charges	2,892	2,608
Bad and doubtful debts	488	-
Printing and stationery	8,066	5,245
Advertising	20,413	15,986
Telecommunications	3,411	2,938
Sundry expenses	45,469	37,177
Depreciation	43,363	45,642
	<u>614,613</u>	<u>563,159</u>