

Registration number: 1332714

Oxford Lasers Limited

Financial Statements

for the Year Ended 31 December 2018

Prepared in accordance with exemptions under S444 Companies Act 2006

Critchleys Audit LLP
Registered Auditor
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Oxford Lasers Limited
(Registration number: 1332714)
Balance Sheet as at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	710,332	469,005
Investments		<u>114,636</u>	<u>114,636</u>
		<u>824,968</u>	<u>583,641</u>
Current assets			
Stocks	6	1,116,609	830,955
Debtors	7	1,464,369	1,106,801
Cash at bank and in hand		<u>1,907,993</u>	<u>1,315,808</u>
		4,488,971	3,253,564
Creditors: Amounts falling due within one year	8	<u>(1,758,754)</u>	<u>(1,173,947)</u>
Net current assets		<u>2,730,217</u>	<u>2,079,617</u>
Total assets less current liabilities		3,555,185	2,663,258
Provisions for liabilities		<u>(97,584)</u>	<u>(93,365)</u>
Net assets		<u>3,457,601</u>	<u>2,569,893</u>
Capital and reserves			
Called up share capital		264,603	264,603
Share premium reserve		22,400	22,400
Capital redemption reserve		416	416
Profit and loss account		<u>3,170,182</u>	<u>2,282,474</u>
Total equity		<u>3,457,601</u>	<u>2,569,893</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 24/7/19 and signed on its behalf by:

A-J Kearsley

A J Kearsley
Director

Oxford Lasers Limited

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

1 General information

The company is incorporated in England and Wales.

The address of its registered office is:

Unit 8
Moorbrook Park
Didcot
Oxfordshire
OX11 7HP

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The functional currencies of the company are Sterling, US Dollars and Euros. The financial statements are presented in Sterling since this is the currency in which the company conducts most of its activities. No amounts have been rounded.

Summary of disclosure exemptions

The company is exempt from the requirement to prepare group accounts since it is itself a subsidiary of Oxford Lasers Micromachining Limited.

Group accounts not prepared

Group accounts have not been prepared since the group is a small group.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments.

Other grants

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Oxford Lasers Limited

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

Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction, over their estimated useful lives, as follows:

Asset class

Plant and machinery

Leasehold improvements

Depreciation method and rate

20% and 33% straight line

20% straight line (term of lease)

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Development costs

Research and development expenditure is written off as incurred.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Oxford Lasers Limited

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

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Profit on long term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs (as defined in Stocks above) as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Oxford Lasers Limited

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

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Share based payments

The company operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the entity. The fair value of the employee services received is measured by reference to the estimated fair value at the grant date of equity instruments granted and is recognised as an expense over the vesting period. The estimated fair value of the option granted is calculated using the Black Scholes option pricing model. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 45 (2017 - 43).

4 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 January 2018	23,377	1,312,865	1,336,242
Additions	25,000	450,940	475,940
At 31 December 2018	48,377	1,763,805	1,812,182
Depreciation			
At 1 January 2018	1,169	866,068	867,237
Charge for the year	9,675	224,938	234,613
At 31 December 2018	10,844	1,091,006	1,101,850
Carrying amount			
At 31 December 2018	37,533	672,799	710,332
At 31 December 2017	22,208	446,797	469,005

Oxford Lasers Limited

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

Included within the net book value of land and buildings above is £37,533 (2017 - £22,208) in respect of short leasehold land and buildings.

5 Investments

	2018 £	2017 £
Investments in subsidiaries	<u>114,636</u>	<u>114,636</u>
Subsidiaries		£
Cost or valuation		
At 1 January 2018		119,636
Provision		
Provision		<u>5,000</u>
Carrying amount		
At 31 December 2018		<u>114,636</u>
At 31 December 2017		<u>114,636</u>

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2018	2017
Subsidiary undertakings				
Oxford Lasers Inc 2 Shaker Road Unit B104 Shirley USA MA 01464	USA	Ordinary shares	100%	100%

The principal activity of Oxford Lasers Inc is the design and manufacture of lasers and associated equipment.

The profit for the financial period of Oxford Lasers Inc was £155,277 and the aggregate amount of capital and reserves at the end of the period was £(368,257).

6 Stocks

	2018 £	2017 £
Other inventories	<u>1,116,609</u>	<u>830,955</u>

Oxford Lasers Limited

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

7 Debtors

	Note	2018 £	2017 £
Trade debtors		608,896	225,508
Amounts owed by group undertakings and undertakings in which the company has a participating interest	11	493,656	623,030
Other debtors		<u>361,817</u>	<u>258,263</u>
		<u>1,464,369</u>	<u>1,106,801</u>

8 Creditors

		2018 £	2017 £
Due within one year			
Bank loans and overdrafts	9	-	47,222
Trade creditors		173,798	91,688
Amounts owed to group undertakings and undertakings in which the company has a participating interest	11	14,999	14,999
Taxation and social security		54,862	49,129
Other creditors		<u>1,515,095</u>	<u>970,909</u>
		<u>1,758,754</u>	<u>1,173,947</u>

9 Loans and borrowings

	2018 £	2017 £
Current loans and borrowings		
Bank borrowings	<u>-</u>	<u>47,222</u>

10 Financial commitments, guarantees and contingencies

The total amount of financial commitments not included in the balance sheet is £302,874 (2017 - £372,670). These relate to commitments under non-cancellable operating leases over their remaining lease terms.

11 Related party transactions

Summary of transactions with parent

Oxford Lasers Group Limited
No transactions.

Summary of transactions with subsidiaries

Oxford Lasers Inc.
Transactions during the year consisted of intercompany sales and purchases and management charge receivable.

Oxford Lasers Limited

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

Summary of transactions with other related parties

Surtek Limited (director of Oxford Lasers Limited and of Oxford Lasers Group Limited (ultimate holding company)).

Transactions during the year consisted of the provision of consultancy services.

Income and receivables from related parties

	Subsidiary £
2018	
Sale of goods	2,349,924
Receipt of services	59,671
	<u>2,409,595</u>
Amounts receivable from related party	<u>1,308,416</u>
Provision for doubtful debts	<u>(806,642)</u>
	<u> </u>
	Subsidiary £
2017	
Sale of goods	2,306,488
Receipt of services	61,964
	<u>2,368,452</u>
Amounts receivable from related party	<u>1,254,672</u>
Provision for doubtful debts	<u>(631,642)</u>
	<u> </u>

Expenditure with and payables to related parties

	Parent £	Subsidiary £	Other related parties £
2018			
Purchase of goods	-	115,840	-
Rendering of services	-	-	35,392
	<u>-</u>	<u>115,840</u>	<u>35,392</u>
Amounts payable to related party	<u>14,999</u>	<u>-</u>	<u>-</u>
	<u> </u>	<u> </u>	<u> </u>
	Parent £	Subsidiary £	Other related parties £
2017			
Purchase of goods	-	114,708	-
Rendering of services	-	-	22,225
	<u>-</u>	<u>114,708</u>	<u>22,225</u>
Amounts payable to related party	<u>14,999</u>	<u>-</u>	<u>-</u>
	<u> </u>	<u> </u>	<u> </u>

12 Parent and ultimate parent undertaking

The company's immediate parent is Oxford Lasers Micromachining Limited, incorporated in England and Wales. The ultimate parent is Oxford Lasers Group Limited, incorporated in England and Wales.

13 Audit Report

The auditors' report for the year was unqualified, signed by Andrew Rodzynski (senior statutory auditor) for and on behalf of Critchleys Audit LLP, statutory auditor.