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**LUCIDEON CICS LIMITED**

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**FINANCIAL STATEMENTS**  
**INFORMATION FOR FILING WITH THE REGISTRAR**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**



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**LUCIDEON CICS LIMITED**

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**COMPANY INFORMATION**

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**Directors** Mr A Kinsella  
Mr S Bainbridge  
Mr C I Bill (appointed 31 December 2018)

**Registered number** 01871628

**Registered office** Queens Road  
Penkhull  
Stoke On Trent  
Staffordshire  
ST4 7LQ

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**LUCIDEON CICS LIMITED**

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**LUCIDEON CICS LIMITED**  
**REGISTERED NUMBER:01871628**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2018**

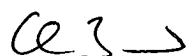
	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	6	4,585	1,404
		<u>4,585</u>	<u>1,404</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	906,993	772,862
Cash at bank and in hand	8	1,000,362	597,674
		<u>1,907,355</u>	<u>1,370,536</u>
Creditors: amounts falling due within one year	9	(887,924)	(736,192)
<b>Net current assets</b>		<u>1,019,431</u>	<u>634,344</u>
<b>Total assets less current liabilities</b>		<u>1,024,016</u>	<u>635,748</u>
<b>Net assets</b>		<u><u>1,024,016</u></u>	<u><u>635,748</u></u>
<b>Capital and reserves</b>			
Called up share capital		100	100
Profit and loss account		1,023,916	635,648
		<u><u>1,024,016</u></u>	<u><u>635,748</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2019.



**Mr C I Bill**  
Director

The notes on pages 2 to 11 form part of these financial statements.

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## LUCIDEON CICS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1. General information

Lucideon CICS Limited is a company limited by shares, incorporated in England and Wales. Registered number 01871628. Its registered office is Queens Road, Penkhull, Stoke on Trent, Staffordshire, ST4 7LQ.

The principal activity of the Company is to provide the ceramic and associated industries with an independent third party certification body.

The Company was established at the request of the ceramic industry and its objective is to ensure, for the benefit of the community, high standards of quality and excellence in the industry by providing facilities for manufacturers and suppliers within the industry to have their quality control management systems assessed and certified as complying with defined and appropriate published standards.

The Company is a leading verification company in the field of greenhouse gas emissions.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Foreign currency translation

###### Functional and presentation currency

The Company's functional and presentational currency is GBP.

###### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

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## LUCIDEON CICS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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## 2. Accounting policies (continued)

### 2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

#### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

### 2.4 Operating leases

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

### 2.5 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

### 2.6 Pensions

#### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

#### Group pension plan

Where the risks of a defined benefit plan are shared between entities under common control, the net defined benefit cost is recognised in the financial statements of the Group entity which is legally responsible for the plan and all other Group entities recognise a cost equal to their contribution payable for the period.

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## LUCIDEON CICS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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## 2. Accounting policies (continued)

### 2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### 2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	33% straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

### 2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**2. Accounting policies (continued)**

**2.10 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.11 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.12 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.



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## **LUCIDEON CICS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

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## **2. Accounting policies (continued)**

### **2.13 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

## **3. Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However the nature of estimation means that actual outcomes could differ from those estimates.

Management do not consider there to be any areas where such judgement is required.

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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4. Employees

The average monthly number of employees, including directors, during the year was 10 (2017: 11).

5. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	101,274	83,574
Company contributions to defined contribution pension schemes	6,949	6,821
	<u>108,223</u>	<u>90,395</u>

During the year retirement benefits were accruing to 1 director (2017: 1) in respect of defined contribution pension schemes.

6. Tangible fixed assets

	Fixtures and fittings £
<b>Cost or valuation</b>	
At 1 January 2018	17,235
Additions	4,869
At 31 December 2018	<u>22,104</u>
<b>Depreciation</b>	
At 1 January 2018	15,831
Charge for the year on owned assets	1,688
At 31 December 2018	<u>17,519</u>
<b>Net book value</b>	
At 31 December 2018	<u>4,585</u>
At 31 December 2017	<u>1,404</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**7. Debtors**

	2018 £	2017 £
Trade debtors	421,223	472,583
Amounts owed by group undertakings	420,562	238,550
Other debtors	2,080	-
Prepayments and accrued income	61,994	60,385
Deferred taxation	1,134	1,344
	<u>906,993</u>	<u>772,862</u>

**8. Cash and cash equivalents**

	2018 £	2017 £
Cash at bank and in hand	<u>1,000,362</u>	<u>597,674</u>

**9. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Payments received on account	405,284	352,713
Trade creditors	60,318	39,075
Amounts owed to group undertakings	329,561	245,274
Corporation tax	24,721	-
Other taxation and social security	-	18,084
Accruals and deferred income	68,040	81,046
	<u>887,924</u>	<u>736,192</u>

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NOTES TO THE FINANCIAL STATEMENTS  
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10. Deferred taxation

	2018 £	2017 £
At beginning of year	1,344	1,344
Charged to profit or loss	(210)	-
<b>At end of year</b>	<b>1,134</b>	<b>1,344</b>

The deferred tax asset is made up as follows:

	2018 £	2017 £
Fixed asset timing differences	1,134	1,344

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## LUCIDEON CICS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 11. Pension commitments

##### Defined contribution pension scheme

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £47,153 (2017: £49,866). Contributions totalling £561 (2017: £Nil) were payable to the fund at the balance sheet date and are included in creditors.

##### Defined benefit pension scheme

In addition, other employees are members of the Lucideon Group Pension Scheme (formerly British Ceramic Research Limited Pension and Life Assurance Scheme (1975)) which provides benefits based on final pensionable salary. The scheme is a funded defined benefit scheme. The assets of the scheme are held separately from those of the funds of the Company and together with contributions, are invested in managed funds whereby the value of the funds are directly linked to the value of the underlying investments. The latest actuarial valuation of the scheme was 1 January 2015.

The Lucideon Group Pension Scheme does not have a contractual agreement or stated policy as to which group entities are liable for pension scheme liabilities. Therefore under section 28 of FRS 102, the assets and liabilities of the scheme are recorded within the individual financial statements of the entity with legal responsibility for the scheme which is consistent with the ultimate parent company as per note 14.

The pension cost in respect of this scheme represents contributions payable by the Company amounting to £Nil (2017: £Nil). Employer contributions to the defined benefit scheme amounting to £279,000 (2017: £342,000), which includes a one-off payment of £20,000 (2017: £40,000) were paid by fellow subsidiary Lucideon Limited.

The expected pension contributions payable by fellow subsidiary Lucideon Limited for the year ended 31 December 2019 is £45,000.

The expected pension contributions payable into the scheme by this company for the year ended 31 December 2019 is £Nil.

#### 12. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	15,671	22,610
Later than 1 year and not later than 5 years	21,932	20,396
	<u>37,603</u>	<u>43,006</u>

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**LUCIDEON CICS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**13. Related party transactions**

The Company has taken exemption from FRS 102 Section 33 from disclosing transactions between two or more members of a group on the basis that any subsidiary is wholly owed.

**14. Controlling party**

The ultimate group undertaking is Lucideon Group Limited and this company is the smallest and largest group for which consolidated accounts are prepared. Copies of consolidated accounts are available from Companies House.

The ultimate controlling party is the Beechfields (Stoke) Limited Employee Benefit Trust by virtue of its shareholding in Lucideon Group Limited.

**15. Auditor's information**

The auditor's report on the financial statements for the year ended 31 December 2018 was unqualified.

The audit report was signed on 30 September 2019 by David Munton BSc (Hons) FCA (Senior Statutory Auditor) on behalf of Grant Thornton UK LLP.