

Company Registration No. 03005203 (England and Wales)

**NORTHUMBRIA OPTICAL COATINGS LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2019**

**PAGES FOR FILING WITH REGISTRAR**

**NORTHUMBRIA OPTICAL COATINGS LIMITED**

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# NORTHUMBRIA OPTICAL COATINGS LIMITED

## BALANCE SHEET

AS AT 31 MAY 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Intangible assets	3		45,000		32,400
Tangible assets	4		485,237		459,353
Investments	5		50,000		50,000
			<u>580,237</u>		<u>541,753</u>
<b>Current assets</b>					
Stocks		202,037		194,967	
Debtors	6	413,091		345,417	
Cash at bank and in hand		446,473		364,684	
		<u>1,061,601</u>		<u>905,068</u>	
<b>Creditors: amounts falling due within one year</b>	7	(274,518)		(184,909)	
<b>Net current assets</b>			<u>787,083</u>		<u>720,159</u>
<b>Total assets less current liabilities</b>			<u>1,367,320</u>		<u>1,261,912</u>
<b>Provisions for liabilities</b>			(80,730)		(72,649)
<b>Deferred income</b>			(42,530)		(35,113)
<b>Net assets</b>			<u><u>1,244,060</u></u>		<u><u>1,154,150</u></u>
<b>Capital and reserves</b>					
Called up share capital	9		30		30
Share premium account			5,970		5,970
Capital redemption reserve			70		70
Profit and loss reserves			<u>1,237,990</u>		<u>1,148,080</u>
<b>Total equity</b>			<u><u>1,244,060</u></u>		<u><u>1,154,150</u></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 2019***

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The financial statements were approved by the board of directors and authorised for issue on 24 February 2020 and are signed on its behalf by:

Mr N J Gilland  
**Director**

**Company Registration No. 03005203**

# **NORTHUMBRIA OPTICAL COATINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2019**

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### **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. Amortisation of website development costs will begin once the asset is brought into use.

#### **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 2019

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### 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 and cash equivalents 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 2019

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### 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.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### **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 2019

### 1 Accounting policies

(Continued)

#### 1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases 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 24 (2018 - 22).

### 3 Intangible fixed assets

	Goodwill	Website development costs	Total
	£	£	£
<b>Cost</b>			
At 1 June 2018	254,000	32,400	286,400
Additions	-	12,600	12,600
	<u>254,000</u>	<u>45,000</u>	<u>299,000</u>
At 31 May 2019	254,000	45,000	299,000
<b>Amortisation and impairment</b>			
At 1 June 2018 and 31 May 2019	254,000	-	254,000
	<u>254,000</u>	<u>-</u>	<u>254,000</u>
<b>Carrying amount</b>			
At 31 May 2019	-	45,000	45,000
	<u>-</u>	<u>45,000</u>	<u>45,000</u>
At 31 May 2018	-	32,400	32,400
	<u>-</u>	<u>32,400</u>	<u>32,400</u>



# NORTHUMBRIA OPTICAL COATINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

### 4 Tangible fixed assets

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 June 2018	233,144	1,177,302	92,504	1,502,950
Additions	1,870	141,230	23,882	166,982
At 31 May 2019	235,014	1,318,532	116,386	1,669,932
<b>Depreciation and impairment</b>				
At 1 June 2018	197,441	775,917	70,239	1,043,597
Depreciation charged in the year	22,173	109,580	9,345	141,098
At 31 May 2019	219,614	885,497	79,584	1,184,695
<b>Carrying amount</b>				
At 31 May 2019	15,400	433,035	36,802	485,237
At 31 May 2018	35,703	401,385	22,265	459,353

### 5 Fixed asset investments

	2019 £	2018 £
Investments	50,000	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 Growth Capital Ventures Nominees Limited. The investment is held in the balance sheet at cost less impairment as it is not considered 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.

#### Movements in fixed asset investments

	Investments other than loans £
<b>Cost or valuation</b>	
At 1 June 2018 & 31 May 2019	50,000
<b>Carrying amount</b>	
At 31 May 2019	50,000
At 31 May 2018	50,000

# NORTHUMBRIA OPTICAL COATINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

<b>6 Debtors</b>		
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	205,059	206,359
Gross amounts owed by contract customers	68,331	83,693
Other debtors	4,792	7,560
Prepayments and accrued income	134,909	47,805
	<u>413,091</u>	<u>345,417</u>

<b>7 Creditors: amounts falling due within one year</b>		
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	148,986	88,675
Corporation tax	30,265	5,855
Other taxation and social security	12,192	15,235
Accruals and deferred income	83,075	75,144
	<u>274,518</u>	<u>184,909</u>

<b>8 Retirement benefit schemes</b>		
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>89,328</u>	<u>103,317</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 2019, there is a pension scheme creditor of £3,431 included within accruals (2018: £nil).

<b>9 Called up share capital</b>		
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
30 Ordinary of £1 each	<u>30</u>	<u>30</u>

## 10 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.

# **NORTHUMBRIA OPTICAL COATINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MAY 2019**

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### **10 Audit report information**

**(Continued)**

The senior statutory auditor was Colin Chaler.  
The auditor was Baldwins Audit Services.

### **11 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:

<b>2019</b>	<b>2018</b>
<b>£</b>	<b>£</b>
229,365	286,842
<u>          </u>	<u>          </u>

### **12 Capital commitments**

Amounts contracted for but not provided in the financial statements:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Acquisition of tangible fixed assets and intangible fixed assets	203,942	12,600
	<u>          </u>	<u>          </u>

### **13 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.