

Audited Financial Statements
for the Year Ended 31 May 2022
for
Northumbria Optical Coatings Limited

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for the year ended 31 May 2022**

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Northumbria Optical Coatings Limited

**Company Information
for the year ended 31 May 2022**

DIRECTORS: N J Gilland
A J Huntley

SECRETARY: N J Gilland

REGISTERED OFFICE: Unit 10 Burford Way
Boldon Business Park
Boldon
Tyne And Wear
NE35 9PZ

REGISTERED NUMBER: 03005203 (England and Wales)

AUDITORS: TTR Barnes Limited
Chartered Accountants and Statutory Auditors
3-5 Grange Terrace
Stockton Road
Sunderland
Tyne & Wear
SR2 7DG

Northumbria Optical Coatings Limited (Registered number: 03005203)

**Statement of Financial Position
31 May 2022**

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Intangible assets	4		50,000		50,000
Tangible assets	5		484,370		531,924
Investments	6		<u>57,600</u>		<u>57,600</u>
			591,970		639,524
CURRENT ASSETS					
Stocks		322,441		291,977	
Debtors	7	518,308		488,006	
Cash at bank and in hand		<u>526,048</u>		<u>669,521</u>	
		1,366,797		1,449,504	
CREDITORS					
Amounts falling due within one year	8	<u>395,238</u>		<u>425,058</u>	
NET CURRENT ASSETS			<u>971,559</u>		<u>1,024,446</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,563,529		1,663,970
CREDITORS					
Amounts falling due after more than one year	9		(41,667)		(191,701)
PROVISIONS FOR LIABILITIES			(87,428)		(95,453)
ACCRUALS AND DEFERRED INCOME			<u>(29,776)</u>		<u>(34,576)</u>
NET ASSETS			<u>1,404,658</u>		<u>1,342,240</u>
CAPITAL AND RESERVES					
Called up share capital			30		30
Share premium			5,970		5,970
Capital redemption reserve			70		70
Retained earnings			<u>1,398,588</u>		<u>1,336,170</u>
			<u>1,404,658</u>		<u>1,342,240</u>

The notes form part of these financial statements

Statement of Financial Position - continued
31 May 2022

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

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 15 May 2023 and were signed on its behalf by:

N J Gilland - Director

A J Huntley - Director

**Notes to the Financial Statements
for the year ended 31 May 2022**

1. STATUTORY INFORMATION

Northumbria Optical Coatings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on a going concern basis which assumes the company will continue in operational existence for the foreseeable future and meet its liabilities as they fall due.

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 3 months of the year-end, revenue is recognised at selling price less estimated margin.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business, has now been fully amortised.

Intangible 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 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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

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

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Stocks

Stocks of raw material are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises of 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 an estimate of the cost of bringing the filters to their present location and condition.

Notes to the Financial Statements - continued
for the year ended 31 May 2022

2. ACCOUNTING POLICIES - continued

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 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.

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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and 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.

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 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.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Notes to the Financial Statements - continued
for the year ended 31 May 2022

2. **ACCOUNTING POLICIES - continued**

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

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.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

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 systemic basis is more representative of the time pattern in which in which economic benefits from the leases asset are consumed.

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.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 28 (2021 - 27) .

Notes to the Financial Statements - continued
for the year ended 31 May 2022

4. INTANGIBLE FIXED ASSETS

	Goodwill £	Development costs £	Totals £
COST			
At 1 June 2021 and 31 May 2022	<u>254,000</u>	<u>50,000</u>	<u>304,000</u>
AMORTISATION			
At 1 June 2021 and 31 May 2022	<u>254,000</u>	<u>-</u>	<u>254,000</u>
NET BOOK VALUE			
At 31 May 2022	<u>-</u>	<u>50,000</u>	<u>50,000</u>
At 31 May 2021	<u>-</u>	<u>50,000</u>	<u>50,000</u>

5. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 June 2021	276,326	1,624,776	153,827	2,054,929
Additions	<u>580</u>	<u>83,450</u>	<u>7,284</u>	<u>91,314</u>
At 31 May 2022	<u>276,906</u>	<u>1,708,226</u>	<u>161,111</u>	<u>2,146,243</u>
DEPRECIATION				
At 1 June 2021	242,900	1,175,987	104,118	1,523,005
Charge for year	<u>6,567</u>	<u>121,339</u>	<u>10,962</u>	<u>138,868</u>
At 31 May 2022	<u>249,467</u>	<u>1,297,326</u>	<u>115,080</u>	<u>1,661,873</u>
NET BOOK VALUE				
At 31 May 2022	<u>27,439</u>	<u>410,900</u>	<u>46,031</u>	<u>484,370</u>
At 31 May 2021	<u>33,426</u>	<u>448,789</u>	<u>49,709</u>	<u>531,924</u>

6. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Unlisted investments £	Totals £
COST			
At 1 June 2021 and 31 May 2022	<u>7,600</u>	<u>50,000</u>	<u>57,600</u>
NET BOOK VALUE			
At 31 May 2022	<u>7,600</u>	<u>50,000</u>	<u>57,600</u>
At 31 May 2021	<u>7,600</u>	<u>50,000</u>	<u>57,600</u>

Notes to the Financial Statements - continued
for the year ended 31 May 2022

6. **FIXED ASSET INVESTMENTS - continued**

Financial assets for which fair value cannot be measured reliably

Investments in non-puttable ordinary shares which are not publically traded 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.

The £50,000 investment is in Carlton (Thorpe Thewles) Ltd (residential development) via Growth Capital Ventures Nominees Limited. The investment is held 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.

7. **DEBTORS**

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	279,311	210,791
Amounts recoverable on contract	59,316	105,283
Other debtors	<u>54,677</u>	<u>51,932</u>
	<u>393,304</u>	<u>368,006</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>125,004</u>	<u>120,000</u>
Aggregate amounts	<u>518,308</u>	<u>488,006</u>

8. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022 £	2021 £
Bank loans and overdrafts	125,000	93,750
Trade creditors	123,277	110,878
Taxation and social security	25,549	32,624
Other creditors	<u>121,412</u>	<u>187,806</u>
	<u>395,238</u>	<u>425,058</u>

9. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2022 £	2021 £
Bank loans	41,667	156,250
Other creditors	<u>-</u>	<u>35,451</u>
	<u>41,667</u>	<u>191,701</u>

**Notes to the Financial Statements - continued
for the year ended 31 May 2022**

10. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	51,541	55,166
Between one and five years	119,792	147,374
In more than five years	<u>17,969</u>	<u>81,858</u>
	<u>189,302</u>	<u>284,398</u>

11. SECURED DEBTS

The following secured debts are included within creditors:

	2022	2021
	£	£
Bank loans	<u>166,667</u>	<u>250,000</u>

HSBC bank has a fixed and floating charge over all of the company's assets.

12. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Allan Russell (Senior Statutory Auditor)
for and on behalf of TTR Barnes Limited

13. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

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

14. RELATED PARTY DISCLOSURES

During the financial year of 2020, the company purchased 76% of the shares of NOC Engineering Ltd, which was incorporated on the 27th February 2020. During the year ending 31st May 2020, the company loaned NOC Engineering Ltd £120,00. During the current year a further loan of £5,004 was provided, leaving a total balance outstanding of £125,004.

The loan is interest free and has no fixed repayment date.

The directors for NOC Engineering Ltd are N. Gilland and A. Huntley.

15. AUDITOR LIABILITY LIMITATION AGREEMENT

The limitation of liability in respect of this audit is 10 times the audit fee which was agreed in our terms of engagement letter.

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.