

Novella Satcoms Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2016

Winburn Glass Norfolk
Chartered Accountants
4 Park Place
Leeds
LS1 2RU

Novella Satcoms Limited

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Novella Satcoms Limited

Company Information

Directors Dr Ventura Tavares Rufino
Mr Christopher John Maslen
Mrs Maria Cecilia Da Costa
Mr Colin Glass

Company secretary Mrs Maria Cecilia Da Costa

Registered office Kerry House
Kerry Garth
Horsforth
Leeds
LS18 4TL

Accountants Winburn Glass Norfolk
Chartered Accountants
4 Park Place
Leeds
LS1 2RU

**Chartered Accountants' Report to the Board of Directors on the Preparation of the Unaudited
Statutory Accounts of
Novella Satcoms Limited
for the Year Ended 31 December 2016**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Novella Satcoms Limited for the year ended 31 December 2016 as set out on pages 3 to 10 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icacw.com/cn/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Novella Satcoms Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Novella Satcoms Limited and state those matters that we have agreed to state to the Board of Directors of Novella Satcoms Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Novella Satcoms Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Novella Satcoms Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Novella Satcoms Limited. You consider that Novella Satcoms 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 accounts of Novella Satcoms 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 accounts.

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Winburn Glass Norfolk
Chartered Accountants
4 Park Place
Leeds
LS1 2RU

28 November 2017

Novella Satcoms Limited

(Registration number: 03475429)

Balance Sheet as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	<u>4</u>	999,691	1,038,957
Investments		306	306
		<u>999,997</u>	<u>1,039,263</u>
Current assets			
Stocks	<u>6</u>	372,178	404,414
Debtors	<u>7</u>	232,146	83,830
Cash at bank and in hand		892,779	1,048,054
		1,497,103	1,536,298
Creditors: Amounts falling due within one year	<u>8</u>	(164,112)	(219,272)
Net current assets		<u>1,332,991</u>	<u>1,317,026</u>
Total assets less current liabilities		2,332,988	2,356,289
Provisions for liabilities		-	(700)
Net assets		<u>2,332,988</u>	<u>2,355,589</u>
Capital and reserves			
Called up share capital		750	750
Share premium reserve		26,865	26,865
Capital redemption reserve		135	135
Profit and loss account		<u>2,305,238</u>	<u>2,327,839</u>
Total equity		<u>2,332,988</u>	<u>2,355,589</u>

For the financial year ending 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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.

The notes on pages 5 to 10 form an integral part of these financial statements.

Novella Satcoms Limited

(Registration number: 03475429)

Balance Sheet as at 31 December 2016

Approved and authorised by the Board on 28 November 2017 and signed on its behalf by:

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Dr Ventura Tavares Rufino

Director

The notes on pages 5 to 10 form an integral part of these financial statements.
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Novella Satcoms Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

1 General information

The company is a private company limited by share capital incorporated in England and Wales .

The address of its registered office is:

Kerry House
Kerry Garth
Horsforth
Leeds
LS18 4TL

These financial statements were authorised for issue by the Board on 28 November 2017.

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. This is the first year in which the financial statements have been prepared under FRS102. Prior year comparative amounts have not been restated as there were no material adjustments brought about by the implementation of the new standard.

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.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Research and development

Research and development costs are written off to profit and loss account as incurred.

Product Warranties

The cost of maintenance under guarantees and warranties in respect of products delivered and invoiced is recognised as soon as the company accepts liability.

Tangible assets

Tangible assets are stated at cost, less any subsequent accumulated depreciation.

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Novella Satcoms Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

Asset class	Depreciation method and rate
Freehold buildings	2% straight line
Plant and motor vehicles	25% reducing balance

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Trade debtors

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

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, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Stocks are assessed for obsolescence, and if stocks are impaired the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in the profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

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.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

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.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 17 (2015 - 16).

Novella Satcoms Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

4 Tangible assets

	Land and buildings £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation				
At 1 January 2016	1,095,751	69,320	687,902	1,852,973
Additions	-	-	3,160	3,160
At 31 December 2016	1,095,751	69,320	691,062	1,856,133
Depreciation				
At 1 January 2016	159,150	24,361	630,505	814,016
Charge for the year	15,915	11,240	15,271	42,426
At 31 December 2016	175,065	35,601	645,776	856,442
Carrying amount				
At 31 December 2016	920,686	33,719	45,286	999,691
At 31 December 2015	936,601	44,959	57,397	1,038,957

Included within the net book value of land and buildings above is £920,686 (2015 - £936,601) in respect of freehold land and buildings.

5 Investments

	2016 £	2015 £
Investments in associates	306	306

Novella Satcoms Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

Associates	£
Cost	
At 1 January 2016	306
At 31 December 2016	306
Carrying amount	
At 31 December 2016	306
At 31 December 2015	306

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Associates

Novella USA Inc, incorporated in the United States of America.

49% of common stock held (2015: 49%).

The principal activity of Novella USA Inc is as a seller of satellite earth station radio frequency equipment.

No call on the shares has yet been made. No statutory accounts for the company have yet become available but the directors believe the capital and reserves at 31 December 2016 are negligible as is the profit or loss for the year ended on that date.

6 Stocks

	2016	2015
	£	£
Raw materials and consumables	257,900	200,989
Work in progress	18,187	38,500
Finished goods and goods for resale	96,091	164,925
	<u>372,178</u>	<u>404,414</u>

7 Debtors

	2016	2015
	£	£
Trade debtors	172,022	17,426
Other debtors	60,124	66,404
Total current trade and other debtors	<u>232,146</u>	<u>83,830</u>

Novella Satcoms Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

8 Creditors

	Note	2016 £	2015 £
Due within one year			
Trade creditors		53,865	112,160
Taxation and social security		20,820	30,313
Other creditors		89,427	76,799
		<u>164,112</u>	<u>219,272</u>

9 Related party transactions

Transactions with directors

	At 1 January 2016 £	Advances to directors £	Repayments by director £	At 31 December 2016 £
2016				
Dr Ventura Tavares Rufino				
Loan on which interest was paid at 3%	(1,258)	49,016	(48,277)	(519)

	At 1 January 2015 £	Advances to directors £	Repayments by director £	At 31 December 2015 £
2015				
Dr Ventura Tavares Rufino				
Loan on which interest was paid at 3%	(1,232)	58,024	(58,050)	(1,258)

Other transactions with directors

A director was reimbursed £2,805 (2015: £2,550) for use of home.

A director received fees of £22,680 (2016: £19,350) for professional services. At the balance sheet date the amount due to the director was £1,980 (2015: £4,590).

Fees of £17,135 (2015: £14,772) were charged by, a firm of Chartered Accountants in which one of the directors is a partner, for professional services.

Novella Satcoms Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

Summary of transactions with associates

Novella USA Inc

A company in which Novella Satcoms Limited holds a 49% interest.

Income and receivables from related parties

	Associates
2016	£
Sale of goods	<u>177,060</u>
2015	£
Sale of goods	<u>193,077</u>

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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.