

**Group Strategic Report, Report of the Director and
Consolidated Financial Statements for the Year Ended 30 April 2017**
for
Computationics Group Limited

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**Contents of the Consolidated Financial Statements
for the Year Ended 30 April 2017**

	Page
Company Information	1
Group Strategic Report	2
Report of the Director	3
Report of the Independent Auditors	4
Consolidated Income Statement	5
Consolidated Other Comprehensive Income	6
Consolidated Balance Sheet	7
Company Balance Sheet	8
Consolidated Statement of Changes in Equity	9
Company Statement of Changes in Equity	10
Consolidated Cash Flow Statement	11
Notes to the Consolidated Cash Flow Statement	12
Notes to the Consolidated Financial Statements	13

Computationics Group Limited

**Company Information
for the Year Ended 30 April 2017**

DIRECTOR:

Mr A W Foster

SECRETARY:

Mrs S J Foster

REGISTERED OFFICE:

54 Chorley Road
Hilldale
PARBOLD
Lancashire
WN8 7AS

REGISTERED NUMBER:

05498299 (England and Wales)

AUDITORS:

Ashworth Treasure Limited
Statutory Auditors
17-19 Park Street
Lytham
Lancashire
FY8 5LU

**Group Strategic Report
for the Year Ended 30 April 2017**

The director presents his strategic report of the company and the group for the year ended 30 April 2017.

REVIEW OF BUSINESS

The results for the year and financial position are shown in the annexed financial statements.

The group manufactures a quality range of products and has invested in a state of the art research facility in order to continue investing in new products and manufacturing techniques. The research facility enables the group to enforce its position within the market place.

The group maintains a research and development programme on a continuing basis in order to strengthen its product base. The groups total expenditure on research and development during the year was £1,485,777 (2016: £1,249,033).

The group has continued to invest heavily in fixed assets this year which largely consists of machinery at the factory in Wigan.

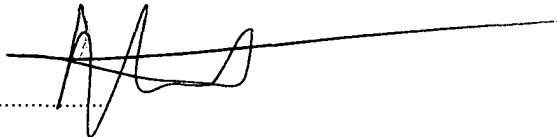
The group maintains a strong balance sheet position at the end of the year. The group has maintained its turnover levels during the year, with profits before tax of £1,115,836.

PRINCIPAL RISKS AND UNCERTAINTIES

The group manages all potential risks and really only sees the threat of cheap imports from the East as a risk. Even here, the group is continually reviewing its own manufacturing processes to stay competitive.

The group is well placed and maintains a strategy of strong management and leadership which enables the company to react quickly to any future risks or uncertainties arising out of the business environment.

ON BEHALF OF THE BOARD:



.....
Mr A W Foster - Director

Date: 29/11/17

**Report of the Director
for the Year Ended 30 April 2017**

The director presents his report with the financial statements of the company and the group for the year ended 30 April 2017.

DIVIDENDS

Particulars of dividends paid are detailed in note 5 to the financial statements.

DIRECTOR

Mr A W Foster held office during the whole of the period from 1 May 2016 to the date of this report.

DISCLOSURE IN THE STRATEGIC REPORT

The strategic report on the preceding page provides information regarding the performance, developments, and risks and uncertainties of the company.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Group Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Ashworth Treasure Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
Mr A W Foster - Director

Date: 29/11/17

Report of the Independent Auditors to the Members of Computationics Group Limited

We have audited the financial statements of Computationics Group Limited for the year ended 30 April 2017 on pages five to twenty three. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Director to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Group Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the group and the parent company and its environment, we have not identified any material misstatements in the Group Strategic Report or the Report of the Director.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Anthony Cooney (Senior Statutory Auditor)
for and on behalf of Ashworth Treasure Limited
Statutory Auditors
17-19 Park Street
Lytham
Lancashire
FY8 5LU

Date: 29/11/17

**Consolidated Income Statement
for the Year Ended 30 April 2017**

	Notes	£	2017	£	£	2016	£
TURNOVER	4			16,060,294			14,908,232
Cost of sales				<u>9,147,413</u>			<u>8,554,364</u>
GROSS PROFIT				6,912,881			6,353,868
Distribution costs		1,633,822			1,518,530		
Administrative expenses		<u>4,221,551</u>			<u>3,303,055</u>		
				<u>5,855,373</u>			<u>4,821,585</u>
				1,057,508			1,532,283
Other operating income				<u>112,008</u>			<u>162,008</u>
OPERATING PROFIT	6			1,169,516			1,694,291
Interest receivable and similar income				<u>13,716</u>			<u>7,776</u>
				1,183,232			1,702,067
Interest payable and similar expenses	8			<u>67,396</u>			<u>66,558</u>
PROFIT BEFORE TAXATION				1,115,836			1,635,509
Tax on profit	9			<u>(132,503)</u>			<u>55,660</u>
PROFIT FOR THE FINANCIAL YEAR				<u>1,248,339</u>			<u>1,579,849</u>
Profit attributable to: Owners of the parent				<u>1,248,339</u>			<u>1,579,849</u>

**Consolidated Other Comprehensive Income
for the Year Ended 30 April 2017**

	Notes	2017 £	2016 £
PROFIT FOR THE YEAR		1,248,339	1,579,849
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,248,339</u>	<u>1,579,849</u>
Total comprehensive income attributable to: Owners of the parent		<u>1,248,339</u>	<u>1,579,849</u>

Consolidated Balance Sheet
30 April 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	12	9,551,120	9,178,630
Investments	13	-	-
		<u>9,551,120</u>	<u>9,178,630</u>
CURRENT ASSETS			
Stocks	14	2,675,974	2,358,755
Debtors	15	5,027,051	4,911,092
Cash at bank and in hand		<u>140,030</u>	<u>866,580</u>
		<u>7,843,055</u>	<u>8,136,427</u>
CREDITORS			
Amounts falling due within one year	16	<u>3,235,126</u>	<u>2,981,586</u>
NET CURRENT ASSETS		<u>4,607,929</u>	<u>5,154,841</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,159,049</u>	<u>14,333,471</u>
CREDITORS			
Amounts falling due after more than one year	17	(1,622,833)	(2,324,183)
PROVISIONS FOR LIABILITIES	21	(504,161)	(636,664)
ACCRUALS AND DEFERRED INCOME	22	<u>(740,861)</u>	<u>(829,769)</u>
NET ASSETS		<u><u>11,291,194</u></u>	<u><u>10,542,855</u></u>
CAPITAL AND RESERVES			
Called up share capital	23	1,000	1,000
Merger reserve	24	2,635,364	2,635,364
Retained earnings	24	<u>8,654,830</u>	<u>7,906,491</u>
SHAREHOLDERS' FUNDS		<u><u>11,291,194</u></u>	<u><u>10,542,855</u></u>

The financial statements were approved by the director on 29 November 2017 and were signed by:

Mr A W Foster - Director

Company Balance Sheet
30 April 2017

	Notes	£	2017	£	£	2016	£
FIXED ASSETS							
Tangible assets	12			-			-
Investments	13			<u>1,001,000</u>			<u>1,001,000</u>
				1,001,000			1,001,000
CREDITORS							
Amounts falling due within one year	16		<u>961,628</u>			<u>961,628</u>	
NET CURRENT LIABILITIES				<u>(961,628)</u>			<u>(961,628)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				<u>39,372</u>			<u>39,372</u>
CAPITAL AND RESERVES							
Called up share capital	23			1,000			1,000
Retained earnings	24			<u>38,372</u>			<u>38,372</u>
SHAREHOLDERS' FUNDS				<u>39,372</u>			<u>39,372</u>
Company's profit for the financial year				<u>500,000</u>			<u>1,299,620</u>

The financial statements were approved by the director on 29/11/17 and were signed by:

.....
Mr A W Foster - Director

**Consolidated Statement of Changes in Equity
for the Year Ended 30 April 2017**

	Called up share capital £	Retained earnings £	Merger reserve £	Total equity £
Balance at 1 May 2015	1,000	7,626,262	2,635,364	10,262,626
Changes in equity				
Dividends	-	(1,299,620)	-	(1,299,620)
Total comprehensive income	-	<u>1,579,849</u>	-	<u>1,579,849</u>
Balance at 30 April 2016	<u>1,000</u>	<u>7,906,491</u>	<u>2,635,364</u>	<u>10,542,855</u>
Changes in equity				
Dividends	-	(500,000)	-	(500,000)
Total comprehensive income	-	<u>1,248,339</u>	-	<u>1,248,339</u>
Balance at 30 April 2017	<u>1,000</u>	<u>8,654,830</u>	<u>2,635,364</u>	<u>11,291,194</u>

**Company Statement of Changes in Equity
for the Year Ended 30 April 2017**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 May 2015	1,000	38,372	39,372
Changes in equity			
Dividends	-	(1,299,620)	(1,299,620)
Total comprehensive income	-	<u>1,299,620</u>	<u>1,299,620</u>
Balance at 30 April 2016	<u>1,000</u>	<u>38,372</u>	<u>39,372</u>
Changes in equity			
Dividends	-	(500,000)	(500,000)
Total comprehensive income	-	<u>500,000</u>	<u>500,000</u>
Balance at 30 April 2017	<u><u>1,000</u></u>	<u><u>38,372</u></u>	<u><u>39,372</u></u>

**Consolidated Cash Flow Statement
for the Year Ended 30 April 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	1,498,811	2,080,385
Interest paid		(45,073)	(40,641)
Interest element of hire purchase payments paid		(18,263)	(21,239)
Finance costs paid		<u>(4,060)</u>	<u>(4,678)</u>
Net cash from operating activities		<u>1,431,415</u>	<u>2,013,827</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,091,577)	(1,558,323)
Sale of tangible fixed assets		16,899	35,550
Interest received		<u>13,716</u>	<u>7,776</u>
Net cash from investing activities		<u>(1,060,962)</u>	<u>(1,514,997)</u>
Cash flows from financing activities			
New loans in year		-	1,100,000
Loan repayments in year		(774,060)	(307,414)
New HP loans in year		139,260	105,740
Capital repayments in year		(182,694)	(199,405)
Amount introduced by directors		108,440	-
Amount withdrawn by directors		(9,026)	(122,228)
Equity dividends paid		<u>(500,000)</u>	<u>(1,299,620)</u>
Net cash from financing activities		<u>(1,218,080)</u>	<u>(722,927)</u>
Decrease in cash and cash equivalents		<u>(847,627)</u>	<u>(224,097)</u>
Cash and cash equivalents at beginning of year	2	<u>866,580</u>	<u>1,090,677</u>
Cash and cash equivalents at end of year	2	<u><u>18,953</u></u>	<u><u>866,580</u></u>

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 April 2017**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2017	2016
	£	£
Profit before taxation	1,115,836	1,635,509
Depreciation charges	701,545	755,937
Loss on disposal of fixed assets	645	5,493
Finance costs	67,396	66,558
Finance income	(13,716)	(7,776)
	<u>1,871,706</u>	<u>2,455,721</u>
(Increase)/decrease in stocks	(317,219)	237,470
Increase in trade and other debtors	(205,345)	(733,447)
Increase in trade and other creditors	<u>149,669</u>	<u>120,641</u>
Cash generated from operations	<u><u>1,498,811</u></u>	<u><u>2,080,385</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 April 2017

	30.4.17	1.5.16
	£	£
Cash and cash equivalents	140,030	866,580
Bank overdrafts	<u>(121,077)</u>	<u>-</u>
	<u><u>18,953</u></u>	<u><u>866,580</u></u>

Year ended 30 April 2016

	30.4.16	1.5.15
	£	£
Cash and cash equivalents	<u><u>866,580</u></u>	<u><u>1,090,677</u></u>

**Notes to the Consolidated Financial Statements
for the Year Ended 30 April 2017**

1. STATUTORY INFORMATION

Computationics Group 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 General Information page.

2. STATEMENT OF COMPLIANCE

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" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

The financial statements are presented in sterling, which is the functional currency of the entity.

Basis of consolidation

The group accounts consolidate the accounts of Computationics Group Limited, its subsidiary undertaking, Computationics Limited and its sub-subsidiary undertaking Signet AC Limited.

Unless otherwise stated, the acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date on which control passed.

Significant judgements and estimates

In the application of the group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily available from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both.

The key judgements and sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below:

Estimated useful lives and residual values of fixed assets

Depreciation of tangible fixed assets has been based on estimated useful lives and residual values deemed appropriate by the directors. Estimated useful lives are reviewed annually and revised as appropriate. Revisions take into account estimated useful lives used by other companies operating in the sector and actual asset lives and residual values, as evidenced by disposals during current and prior accounting periods.

Impairment of non-financial assets

Non-financial assets include goodwill, investments and tangible fixed assets. The group assesses at each reporting date whether there is an indication that the carrying amount of an asset may not be recoverable. If there is such an indication then the group estimates the recoverable amount of the asset using the information available at that date. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than the carrying amount, the carrying amount of an asset is impaired and it is reduced to its recoverable amount through an impairment in the statement of comprehensive income.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2017**

3. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- nil - 5% on reducing balance
Improvements to property	- 5% on reducing balance
Plant and machinery	- 20% on reducing balance and 10% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 33% on reducing balance and 25% on reducing balance
Computer equipment	- 15% on reducing balance

Fixed assets are stated at purchase price, less depreciation and amounts written off.

Stocks

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in-first-out method and consists of material and direct labour costs, together with an appropriate proportion of production overheads.

Financial instruments

The following assets and liabilities are classified as financial instruments - investments in subsidiaries, trade debtors, trade creditors, hire purchase contracts, bank loans, other loans and inter-group balances.

Investments in subsidiary undertakings are measured at cost less impairment.

Hire purchase contracts and bank loans are initially measured at the present value of future payments, discounted at a market rate of interest, and subsequently at amortised cost using the effective interest method.

Inter-group balances (being repayable on demand), trade debtors, trade creditors and other loans are measured at the undiscounted amount of cash or other consideration expected to be paid or received.

Financial assets are assessed at the end of each reporting period for objective evidence of impairment and if applicable recognised as appropriate.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, 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 balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2017

3. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund.

Leased assets and obligations

Tangible fixed assets operated under the terms of finance leases are capitalised at a value equal to the cost incurred by the lessor in acquiring the relevant assets and depreciated in the same manner as owned assets. Leases are regarded as finance leases where their terms transfer to the lessee substantially all the benefits and burdens of ownership other than the right to title. The capital element of future lease payments is included in creditors. In the case of other leases, the annual rentals are charged to trading profit on a straight line basis over the lease terms.

Grants

Government grants received in respect of fixed assets are deferred and included in the profit and loss account by instalments over the expected useful lives of the related assets. Estimated useful lives are equivalent to those disclosed in the accounting policy for fixed assets and depreciation.

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	2017 £	2016 £
United Kingdom	10,757,192	10,441,274
Europe and other	<u>5,303,102</u>	<u>4,466,958</u>
	<u>16,060,294</u>	<u>14,908,232</u>

5. EMPLOYEES AND DIRECTORS

	2017 £	2016 £
Wages and salaries	5,105,200	4,087,604
Social security costs	63,367	-
Other pension costs	<u>39,170</u>	<u>33,762</u>
	<u>5,207,737</u>	<u>4,121,366</u>

The average monthly number of employees during the year was as follows:

	2017	2016
Production and sales	153	134
Office and management	<u>22</u>	<u>19</u>
	<u>175</u>	<u>153</u>

	2017 £	2016 £
Director's remuneration	<u>482,944</u>	<u>21,600</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2017**

5. EMPLOYEES AND DIRECTORS - continued

Information regarding the highest paid director for the year ended 30 April 2017 is as follows:

	2017
	£
Emoluments etc	<u>475,384</u>

6. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2017	2016
	£	£
Hire of plant and machinery	59,407	45,714
Depreciation - owned assets	608,895	648,828
Depreciation - assets on hire purchase contracts	92,648	107,108
Loss on disposal of fixed assets	645	5,493
Research and development	1,485,777	1,249,033
Foreign currency exchange (Gain)/loss	13,743	(8,872)
Grants released	<u>(87,902)</u>	<u>(105,808)</u>

7. AUDITORS' REMUNERATION

	2017	2016
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	14,950	14,950
Auditors' remuneration for non audit work	<u>16,600</u>	<u>19,450</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	£	£
Bank interest	45,073	40,641
Hire purchase interest	18,263	21,239
Sundry finance charges	<u>4,060</u>	<u>4,678</u>
	<u>67,396</u>	<u>66,558</u>

9. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit for the year was as follows:

	2017	2016
	£	£
Deferred tax	<u>(132,503)</u>	<u>55,660</u>
Tax on profit	<u>(132,503)</u>	<u>55,660</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2017**

9. TAXATION - continued

Reconciliation of total tax (credit)/charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2017 £	2016 £
Profit before tax	<u>1,115,836</u>	<u>1,635,509</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2016 - 20%)	212,009	327,102
Effects of:		
company rate		
Expenses not deductible for tax purposes	5,216	4,342
Deferred income released	(16,892)	(21,163)
Research and development tax credits	(335,771)	(290,118)
Depreciation on non qualifying assets	35,843	35,497
Deferred tax rate change	<u>(32,908)</u>	<u>-</u>
Total tax (credit)/charge	<u>(132,503)</u>	<u>55,660</u>

10. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

11. DIVIDENDS

	2017 £	2016 £
Ordinary shares of £1 each		
Interim	<u>500,000</u>	<u>1,299,620</u>

12. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 May 2016	8,859,083	107,718	3,634,332
Additions	<u>590,237</u>	<u>-</u>	<u>253,304</u>
At 30 April 2017	<u>9,449,320</u>	<u>107,718</u>	<u>3,887,636</u>
DEPRECIATION			
At 1 May 2016	2,014,587	50,820	2,091,059
Charge for year	309,302	2,845	178,451
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>-</u>
At 30 April 2017	<u>2,323,889</u>	<u>53,665</u>	<u>2,269,510</u>
NET BOOK VALUE			
At 30 April 2017	<u>7,125,431</u>	<u>54,053</u>	<u>1,618,126</u>
At 30 April 2016	<u>6,844,496</u>	<u>56,898</u>	<u>1,543,273</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2017

12. TANGIBLE FIXED ASSETS - continued

Group

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 May 2016	1,081,287	519,755	193,142	14,395,317
Additions	79,888	164,741	3,407	1,091,577
Disposals	-	(57,839)	(1,120)	(58,959)
At 30 April 2017	<u>1,161,175</u>	<u>626,657</u>	<u>195,429</u>	<u>15,427,935</u>
DEPRECIATION				
At 1 May 2016	658,209	247,994	154,018	5,216,687
Charge for year	115,430	89,286	6,229	701,543
Eliminated on disposal	-	(40,805)	(610)	(41,415)
At 30 April 2017	<u>773,639</u>	<u>296,475</u>	<u>159,637</u>	<u>5,876,815</u>
NET BOOK VALUE				
At 30 April 2017	<u>387,536</u>	<u>330,182</u>	<u>35,792</u>	<u>9,551,120</u>
At 30 April 2016	<u>423,078</u>	<u>271,761</u>	<u>39,124</u>	<u>9,178,630</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 May 2016	646,408	337,771	984,179
Additions	-	164,741	164,741
Transfer to ownership	(230,013)	(138,058)	(368,071)
At 30 April 2017	<u>416,395</u>	<u>364,454</u>	<u>780,849</u>
DEPRECIATION			
At 1 May 2016	207,051	107,148	314,199
Charge for year	30,102	62,546	92,648
Transfer to ownership	(91,677)	(67,109)	(158,786)
At 30 April 2017	<u>145,476</u>	<u>102,585</u>	<u>248,061</u>
NET BOOK VALUE			
At 30 April 2017	<u>270,919</u>	<u>261,869</u>	<u>532,788</u>
At 30 April 2016	<u>439,357</u>	<u>230,623</u>	<u>669,980</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2017

13. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 May 2016	
and 30 April 2017	<u>1,001,000</u>
NET BOOK VALUE	
At 30 April 2017	<u>1,001,000</u>
At 30 April 2016	<u>1,001,000</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Computationics Limited

Registered office: England

Nature of business: Manufacture of electronic security equipment

	% holding
Class of shares:	
Ordinary £1	100.00

	2017 £	2016 £
Aggregate capital and reserves	11,256,619	10,701,794
Profit for the year	<u>1,054,825</u>	<u>1,561,343</u>

Signet AC Limited

Registered office: England

Nature of business: Manufacture and design of life safety equipment

	% holding
Class of shares:	
Ordinary £1	100.00

	2017 £	2016 £
Aggregate capital and reserves	997,211	803,696
Profit for the year	<u>193,515</u>	<u>18,505</u>

14. STOCKS

	Group	
	2017 £	2016 £
Stocks	1,446,685	1,044,162
Work-in-progress	218,879	183,840
Finished goods	<u>1,010,410</u>	<u>1,130,753</u>
	<u>2,675,974</u>	<u>2,358,755</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2017

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2017	2016
	£	£
Trade debtors	4,605,670	4,420,550
Other debtors	87,395	151,250
Directors' current accounts	-	89,386
Prepayments and accrued income	333,986	249,906
	<u>5,027,051</u>	<u>4,911,092</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts (see note 18)	375,783	372,175	-	-
Hire purchase contracts (see note 19)	166,894	165,567	-	-
Trade creditors	1,902,351	1,597,737	-	-
Amounts owed to group undertakings	-	-	961,628	961,628
Social security and other taxes	430,744	419,919	-	-
Other creditors	130,060	212,674	-	-
Directors' current accounts	10,028	-	-	-
Accrued expenses	219,266	213,514	-	-
	<u>3,235,126</u>	<u>2,981,586</u>	<u>961,628</u>	<u>961,628</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2017	2016
	£	£
Bank loans (see note 18)	1,532,103	2,188,692
Hire purchase contracts (see note 19)	90,730	135,491
	<u>1,622,833</u>	<u>2,324,183</u>

18. LOANS

An analysis of the maturity of loans is given below:

	Group	
	2017	2016
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	121,077	-
Bank loans	<u>254,706</u>	<u>372,175</u>
	<u>375,783</u>	<u>372,175</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>262,072</u>	<u>230,358</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>558,779</u>	<u>725,887</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>711,252</u>	<u>1,232,447</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2017

18. LOANS - continued

The bank loans and overdraft are secured by a legal charge over land and buildings, together with a debenture over all assets of Computationics Limited and Signet (AC) Limited.

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2017	2016
	£	£
Net obligations repayable:		
Within one year	166,894	165,567
Between one and five years	<u>90,730</u>	<u>135,491</u>
	<u>257,624</u>	<u>301,058</u>

Liabilities under finance leases and hire purchase contracts are secured on the assets to which they relate.

Group

	Non-cancellable operating leases	
	2017	2016
	£	£
Within one year	82,841	149,906
Between one and five years	72,025	78,854
In more than five years	<u>4,290</u>	<u>-</u>
	<u>159,156</u>	<u>228,760</u>

20. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2017	2016
	£	£
Bank loans	1,786,809	2,560,867
Hire purchase contracts	<u>257,624</u>	<u>301,058</u>
	<u>2,044,433</u>	<u>2,861,925</u>

21. PROVISIONS FOR LIABILITIES

	Group	
	2017	2016
	£	£
Deferred tax	<u>504,161</u>	<u>636,664</u>

Group

	Deferred tax
	£
Balance at 1 May 2016	636,664
Credit to Income Statement during year	<u>(132,503)</u>
Balance at 30 April 2017	<u>504,161</u>

The deferred tax balance originates from capital allowances in excess of depreciation.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2017

22. ACCRUALS AND DEFERRED INCOME

	Group	
	2017 £	2016 £
Deferred government grants	<u>740,861</u>	<u>829,769</u>

23. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2017	2016
Number:	Class:	Nominal value:	£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

24. RESERVES

Group			
	Retained earnings £	Merger reserve £	Totals £
At 1 May 2016	7,906,491	2,635,364	10,541,855
Profit for the year	1,248,339		1,248,339
Dividends	(500,000)		(500,000)
At 30 April 2017	<u>8,654,830</u>	<u>2,635,364</u>	<u>11,290,194</u>

Company		Retained earnings £
At 1 May 2016		38,372
Profit for the year		500,000
Dividends		(500,000)
At 30 April 2017		<u>38,372</u>

25. CONTINGENT LIABILITIES

Deferred income of £740,861 (2016 - £829,769) is in respect of government grants. The terms of the grant offer provides for the repayment of part or all of the said grants if the terms of the offer letters are not complied with.

26. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 30 April 2017 and 30 April 2016:

	2017 £	2016 £
Mr A W Foster		
Balance outstanding at start of year	89,386	(36,142)
Amounts advanced	752,218	1,394,993
Amounts repaid	(846,633)	(1,269,465)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(5,029)</u>	<u>89,386</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2017**

27. RELATED PARTY DISCLOSURES

During the year, total dividends of £412,500 were paid to the director.

Solid State Security Limited is a company in which Andrew Foster is a director and has a 100% shareholding.

Computationics Limited is a subsidiary of Computationics Group Limited.

Signet (AC) Limited is a subsidiary of Computationics Limited.

During the year there were the following transactions between Computationics Limited and Solid State Security Limited:

Description	2017 £	2016 £
Sales	431,555	614,358
Purchases	119,958	44,986
Management charges	36,000	36,000

The net sum of £819,326 (2016 - £527,906) was due from Solid State Security limited at the balance sheet date.

During the year, Signet AC Limited paid £60,000 (2016 - £60,000) in respect of rent to the trustees of the Computationics Limited Pension Fund.

All transactions were undertaken on an arms length basis.

During the year, a total of key management personnel compensation of £482,944 was paid.

28. ULTIMATE CONTROLLING PARTY

The ultimate controlling party throughout the year was Mr A W Foster.