

Hicks (1) Limited

Registered number: 06649310

Director's report and financial statements

For the year ended 31 October 2014

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HICKS (1) LIMITED

COMPANY INFORMATION

Director K G Persin

Registered number 06649310

Registered office Unit 2
Bruntingthorpe Industrial Estate
Lutterworth
Leicestershire
LE17 5QZ

Independent auditors Mazars LLP
Chartered Accountants & Statutory Auditor
6 Dominus Way
Meridian Business Park
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HICKS (1) LIMITED

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HICKS (1) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2014

Principal activity

The Hicks (1) Group ("the Group" and/or "Hicks 1") is principally engaged in the design and manufacture of application specific integrated circuits, discreet semi-conductor devices and foundry processing for the MEM's industry. The Group is also engaged in the development of semiconductors, and semiconductor manufacturing processes.

The company is an investment holding company and has not traded during the current or previous financial year.

Business review

2015 saw continued growth in orders with confidence having returned to our markets, particularly in Europe, UK and China. Revenue increased once again in the year by 14% on that achieved in 2014. However, gross margins were adversely impacted by 8 percentage points on the previous year, which was principally due to the planned investment in capacity capability at Semefab Limited.

During 2016 we expect gross margins to recover due to:

The Board continue to believe the financial position of the group to be strong, particularly with net current assets and shareholders' funds of £1,237,137 and £3,769,631 respectively at the year end.

The CMOS sensor business in China continues to be strong and the Closed Circuit Television Camera market where our sensor is employed is significantly outperforming the China economy generally.

The process of transferring volume 4 inch silicon based products to 6 inch wafers is ongoing and photo consolidation into Fab 3 has been completed, enabling the Fab 1 photo area to be shut down which will result in cost savings in electricity and fab consumables.

The group continues to be involved in development activities in the Bio/Medical sensor fields and has been awarded a TSB grant to collaborate with Swansea University and a commercial partner to develop a generic platform point of care diagnostic sensor.

We continue to attract a significant number of enquiries for prospective new business across all three sectors.

Hicks (2) has continued to invest in the development of semiconductor technologies that will be used in high power components. The technical achievements to date have been encouraging although no return is expected in 2015.

Key risks

The directors have assessed the key risks facing the group, as shortening development to production timescale and energy costs which continue to rise at a higher rate than inflation. To mitigate these pressures the company has reviewed its approach to product development and remains at a competitive cost base with low financial gearing and significant reserve manufacturing capacity.

Financial risk management objectives and policies

The group makes little use of financial instruments other than operational bank accounts and loans. The directors believe that the group's exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the group.

Research and development

The main focus of research and development continues to be in new technology areas such as MEM's, ASIC, JFET products and state of the art power switch semiconductor devices. The markets served are based in medical, industrial, automotive and energy saving applications.

HICKS (1) LIMITED

GROUP STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 OCTOBER 2014

This report was approved by the board on 24 July 2015 and signed on its behalf.

K Persin
Director



HICKS (1) LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 OCTOBER 2014

The director presents his report and the financial statements for the year ended 31 October 2014.

Director's responsibilities statement

The director is responsible for preparing the group strategic report, the director's report 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 judgments 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 group will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company'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.

Results

The loss for the year, after taxation and minority interests, amounted to £333,345 (2013 - profit £20,126).

Director

The director who served during the year was:

K G Persin

Disclosure of information to auditors

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

HICKS (1) LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 OCTOBER 2014

Auditors

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 24 July 2015 and signed on its behalf.



K G Persin
Director

HICKS (1) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HICKS (1) LIMITED

We have audited the financial statements of Hicks (1) Limited for the year ended 31 October 2014 which comprise the group profit and loss account, the group and company balance sheets, the group consolidated cash flow statement and the related notes. 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).

Respective responsibilities of director and auditors

As explained more fully in the Director's responsibilities statement set out on page 3, 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. 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 an Auditors' report 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 October 2014 and of the group's loss 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 the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

HICKS (1) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HICKS (1) LIMITED

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.

Mazars LLP

Stephen English (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

6 Dominus Way
Meridian Business Park
Leicester
LE19 1RP

24 July 2015

HICKS (1) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2014

	Note	2014 £	2013 £
Turnover	1,2	9,056,814	7,949,378
Cost of sales		(6,423,369)	(4,979,699)
Gross profit		2,633,445	2,969,679
Administrative expenses		(3,509,396)	(2,885,123)
Other operating income		283,595	28,574
Operating (loss)/profit	3	(592,356)	113,130
Interest receivable and similar income		21	37
Interest payable and similar charges	5	(104,382)	(105,244)
(Loss)/profit on ordinary activities before taxation		(696,717)	7,923
Tax on (loss)/profit on ordinary activities	6	217,000	105,049
(Loss)/profit on ordinary activities after taxation		(479,717)	112,972
Minority interests	20	146,372	(92,846)
(Loss)/profit for the financial year	18	(333,345)	20,126

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

The notes on pages 11 to 26 form part of these financial statements.

HICKS (1) LIMITED

Registered number: 06649310

**CONSOLIDATED BALANCE SHEET
AS AT 31 OCTOBER 2014**

	Note	£	2014 £	£	2013 £
Fixed assets					
Intangible assets	7		-		-
Tangible assets	8		10,833,304		11,463,798
			<u>10,833,304</u>		<u>11,463,798</u>
Current assets					
Stocks	10	1,086,422		1,235,992	
Debtors	11	1,968,428		1,883,766	
Cash at bank	12	365,426		442,515	
		<u>3,420,276</u>		<u>3,562,273</u>	
Creditors: amounts falling due within one year	13	(2,183,139)		(3,754,814)	
Net current assets/(liabilities)			<u>1,237,137</u>		<u>(192,541)</u>
Total assets less current liabilities			<u>12,070,441</u>		<u>11,271,257</u>
Creditors: amounts falling due after more than one year	14	(2,155,131)		(229,978)	
Provisions for liabilities					
Deferred tax	15	(338,000)		(433,000)	
Accruals and deferred income	16	(4,186,284)		(4,737,536)	
Net assets			<u><u>5,391,026</u></u>		<u><u>5,870,743</u></u>
Capital and reserves					
Called up share capital	17		2		2
Share premium account	18		2,705,875		2,705,875
Profit and loss account	18		1,063,754		1,397,099
Shareholders' funds	19		<u>3,769,631</u>		<u>4,102,976</u>
Minority interests	20		<u>1,621,395</u>		<u>1,767,767</u>
			<u><u>5,391,026</u></u>		<u><u>5,870,743</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 July 2015.



K G Persin
Director

The notes on pages 11 to 26 form part of these financial statements.

HICKS (1) LIMITED

Registered number: 06649310

COMPANY BALANCE SHEET AS AT 31 OCTOBER 2014

	Note	2014 £	2013 £
Fixed assets			
Investments	9	2,705,976	2,705,976
Current assets			
Debtors	11	110,940	110,940
Net assets		<u>2,816,916</u>	<u>2,816,916</u>
Capital and reserves			
Called up share capital	17	2	2
Share premium account	18	2,705,875	2,705,875
Profit and loss account	18	111,039	111,039
Shareholders' funds	19	<u>2,816,916</u>	<u>2,816,916</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 July 2015.

K G Persin
Director



The notes on pages 11 to 26 form part of these financial statements.

HICKS (1) LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	21	337,141	500,526
Returns on investments and servicing of finance	22	(104,361)	(105,207)
Taxation		37,433	16,616
Capital expenditure and financial investment	22	(340,832)	(62,764)
Cash (outflow)/inflow before financing		(70,619)	349,171
Financing	22	(85,031)	(96,337)
(Decrease)/increase in cash in the year		(155,650)	252,834

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT FOR THE YEAR ENDED 31 OCTOBER 2014

	2014 £	2013 £
(Decrease)/increase in cash in the year	(155,650)	252,834
Cash outflow from decrease in debt	85,031	96,337
Movement in net debt in the year	(70,619)	349,171
Net debt brought forward	(1,884,411)	(2,233,582)
Net debt carried forward	(1,955,030)	(1,884,411)

The notes on pages 11 to 26 form part of these financial statements.

HICKS (1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2014

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Basis of consolidation

The group's financial statements consolidate the accounts of Hicks (1) Limited and all of its subsidiary undertakings, Hicks (2) Limited, Hicks (3) Limited and Semefab Limited, using acquisition accounting.

1.3 Turnover

Turnover shown in the profit and loss account represents the value of all goods and services sold during the year, exclusive of Value Added Tax and trade discounts. Sales are recognised at the point at which the group has fulfilled its contractual obligations and the risks and rewards attaching to the product, such as obsolescence, have been transferred to the customer.

1.4 Research and development

Research and development expenditure is charged to the profit and loss account in the period in which it is incurred.

1.5 Negative goodwill

Negative goodwill arising on the acquisition of a subsidiary undertaking represents the excess of the fair value of the identifiable net assets acquired over the fair value of consideration receivable. Negative goodwill arising on consolidation is capitalised within fixed assets and released to the profit and loss account over the period that the assets in the group to which it relates are consumed by the business.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following annual bases:

Freehold property	-	2% - 4% straight line
Plant & machinery	-	10% - 20% straight line

Depreciation is not charged on land.

1.7 Investment properties

Investment properties are included in the balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No.19 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the director, necessary in order to give a true and fair view of the financial position of the company and the group.

HICKS (1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2014

1. Accounting policies (continued)

1.8 Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost includes all direct costs and an appropriate production of fixed and variable overheads. Net realisable value is based on estimated selling price less further costs to completion and disposal.

Work in progress is valued on the basis of direct costs plus attributable overheads based on a normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

1.9 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.

1.10 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risk of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

1.11 Pensions

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group. Contributions to the group's defined contribution scheme are charged to the profit and loss account in the year in which they become payable.

1.12 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.13 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the translation. Exchange differences are taken into account in arriving at the operating profit.

HICKS (1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2014

1. Accounting policies (continued)

1.14 Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

1.15 Investments

Investments held as fixed assets are valued at cost.

1.16 Employee benefit trust ("EBT")

The group has established a trust for the benefit of employees, former employees and certain of their dependents. Monies contributed to his trust are held by independent trustees and managed at their discretion.

Under UITF 32 "Employee Benefit Trusts and Other Intermediate Payment Arrangements", the assets and liabilities of the trust are accounted for as assets and liabilities of the group until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared, or the date that assets of the trust vest unconditionally in identified individuals. Any impairment in the value of such assets is recognised in the profit and loss account in the period to which it relates.

Where the group determines payments to a trust on the basis of employee's past services to the business and the group can obtain no future economic benefit from these contributions, such contributions payable by the group to the trust are charged to the profit and loss account in the period to which they relate.

1.17 Deferred government grants

Deferred government grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account by equal annual installments over the expected useful lives of the relevant assets.

Government grants of a revenue nature are credited to the profit and loss account in the same period as the related expenditure.

HICKS (1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2014

2. Turnover

The whole of the turnover is attributable to the principal activity of the the group.

A geographical analysis of turnover is as follows:

	2014 £	2013 £
United Kingdom	2,136,125	1,903,053
Europe (excluding United Kingdom)	3,332,811	2,357,775
USA and Canada	1,366,811	1,947,652
Asia	2,221,067	1,740,898
	<u>9,056,814</u>	<u>7,949,378</u>

	2014 £	2013 £
Income from research and development	266,829	-
Grants receivable	-	16,141
Micellaneous income	16,766	12,433
	<u>283,595</u>	<u>28,574</u>

3. Operating (loss)/profit

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

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the group	971,326	457,898
Auditors' remuneration	8,950	1,300
Auditors' remuneration - non-audit	4,920	25,225
Operating lease rentals:		
- other operating leases	7,357	6,952
Foreign exchange (gains)/losses	(17,362)	12,540
Amortisation of deferred income	(551,342)	(201,522)
Research and development	189,756	100,000
Loss on disposal of fixed assets	-	6,577
	<u></u>	<u></u>

During the year the director of the company received no remuneration (2013 - £NIL).

HICKS (1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2014

4. Staff costs

Staff costs, including director's remuneration, were as follows:

	2014 £	2013 £
Wages and salaries	2,927,791	2,269,290
Social security costs	290,576	230,981
Other pension costs	68,510	45,601
	<u>3,286,877</u>	<u>2,545,872</u>

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

	2014 No.	2013 No.
Production	87	71
Administrative and finance	9	9
Sales and marketing	1	1
	<u>97</u>	<u>81</u>

5. Interest payable

	2014 £	2013 £
Bank	96,134	97,459
Other interest charges	8,248	7,785
	<u>104,382</u>	<u>105,244</u>

6. Taxation

	2014 £	2013 £
Current tax		
Adjustments in respect of prior periods	(122,000)	(54,049)
Deferred tax (see note 15)		
Origination and reversal of timing differences	(95,000)	(51,000)
Tax on (loss)/profit on ordinary activities	<u>(217,000)</u>	<u>(105,049)</u>

HICKS (1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2014

6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is different to the standard rate of corporation tax in the UK. The differences are explained below:

	2014 £	2013 £
(Loss)/profit on ordinary activities before tax	(696,717)	7,923
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2013 - 23%)	(146,311)	1,822
Effects of:		
Expenses not deductible for tax purposes	12,528	2,230
Difference between capital allowances and depreciation	64,542	(8,056)
Adjustments in respect of prior periods	(122,000)	(54,049)
Non-taxable income	(120,343)	(46,350)
Other timing differences	11,423	2,815
Tax losses carried forward	178,161	47,539
Current tax credit for the year	(122,000)	(54,049)

Factors that may affect future tax charges

It is anticipated that the group will continue to claim research and development allowances in the future.

The group has trading losses of approximately £3,264,000 (2013 - £2,721,000) available to utilise against future trading profits.

The group has rolled over a capital gain arising on assets disposed of by a subsidiary undertaking prior to acquisition which will become taxable on the future sale of the re-invested related assets. This will increase future tax payable on the future sale of the re-invested related assets. This will increase future tax payable by approximately £1,065,000. The directors of the subsidiary undertaking have no intention to sell the re-invested related assets in the foreseeable future, and therefore, the potential liability has not been provided for within these accounts.

7. Intangible fixed assets

	Goodwill £
Group	
Cost	
At 1 November 2013 and 31 October 2014	(1,904,183)
Amortisation	
At 1 November 2013 and 31 October 2014	(1,904,183)
Net book value	
At 31 October 2014 and 31 October 2013	-

HICKS (1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2014

8. Tangible fixed assets

Group	Freehold property £	Plant & machinery £	Total £
Cost			
At 1 November 2013	6,295,105	8,937,486	15,232,591
Additions	7,499	333,333	340,832
Disposals	-	(6,329)	(6,329)
At 31 October 2014	6,302,604	9,264,490	15,567,094
Depreciation			
At 1 November 2013	607,829	3,160,964	3,768,793
Charge for the year	250,070	721,256	971,326
On disposals	-	(6,329)	(6,329)
At 31 October 2014	857,899	3,875,891	4,733,790
Net book value			
At 31 October 2014	5,444,705	5,388,599	10,833,304
At 31 October 2013	5,687,276	5,776,522	11,463,798

Included in the net book value of freehold property at 31 October 2014 is an investment property with an open market value of £292,107 (2013 - £292,107).

HICKS (1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2014

9. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Hicks (2) Limited	Ordinary	100%
Hicks (3) Limited	Ordinary	100%
Semefab Limited	Ordinary	60%

Name	Business
Hicks (2) Limited	Development of semiconductors and semiconductor manufacturing processes
Hicks (3) Limited	Dormant
Semefab Limited	Manufacture of application specific integrated circuits

The aggregate of the share capital and reserves as at 31 October 2014 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Hicks (2) Limited	2,229,286	(113,786)
Hicks (3) Limited	-	-
Semefab Limited	4,051,401	(365,930)

Company	Investments in subsidiary undertakings £
Cost	
At 1 November 2013 and 31 October 2014	2,705,976
Net book value	
At 31 October 2014	2,705,976
At 31 October 2013	2,705,976

10. Stocks

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Raw materials	199,849	332,852	-	-
Work in progress	886,573	903,140	-	-
	1,086,422	1,235,992	-	-

HICKS (1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2014

11. Debtors

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Due after more than one year				
Other debtors	243,372	243,372	-	-
Due within one year				
Trade debtors	1,397,211	1,244,591	-	-
Amounts owed by group undertakings	-	-	110,938	110,938
Corporation tax recoverable	122,000	37,433	-	-
Other debtors	79,618	202,246	2	2
Prepayments and accrued income	126,227	156,124	-	-
	<u>1,968,428</u>	<u>1,883,766</u>	<u>110,940</u>	<u>110,940</u>

12. Cash at bank and in hand

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Cash at bank	362,956	440,045	-	-
EBT cash	2,470	2,470	-	-
Total	<u>365,426</u>	<u>442,515</u>	<u>-</u>	<u>-</u>

13. Creditors: Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdraft	165,325	2,096,948	-	-
Trade creditors	1,033,563	878,073	-	-
Taxation and social security	78,401	68,809	-	-
Other creditors	261,925	195,626	-	-
Accruals and deferred income	643,925	515,358	-	-
	<u>2,183,139</u>	<u>3,754,814</u>	<u>-</u>	<u>-</u>

The bank loan and overdraft are secured by a bond and a floating charge over the assets of the company.

HICKS (1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2014

14. Creditors: Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Bank loans	2,155,131	229,978	-	-

Included within the above are amounts falling due as follows:

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Between one and two years				
Bank loans	88,517	95,306	-	-
Between two and five years				
Bank loans	2,066,614	134,672	-	-

A bank loan of £241,969 (2013 - £327,000) is repayable by monthly installments on or before 30 August 2017, bears interest at 1.5% over bank base rate, and is secured over the company's freehold properties.

Bank loans falling due after more than one year includes a loan of £1,999,925 (2013 - £1,999,925, included within creditors falling due within one year) secured by a personal guarantee from the ultimate controlling party S R Sverdloff. This loan bears interest at 4.5% per annum.

15. Deferred taxation

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
At beginning of year	433,000	484,000	-	-
Movement during the year	(95,000)	(51,000)	-	-
At end of year	338,000	433,000	-	-

The provision for deferred taxation is made up as follows:

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Accelerated capital allowances	338,000	483,000	-	-
Tax losses available	-	(50,000)	-	-
	338,000	433,000	-	-

HICKS (1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2014

16. Deferred income

Group	Capital grants	
	2014 £	2013 £
Received and receivable		
31 October 2013 and 2014	7,267,502	7,267,502
Amortisation:		
Brought forward	(2,529,876)	(2,328,354)
Credit to the profit and loss account	(551,342)	(201,522)
Net book value carried forward	4,186,284	4,737,626

17. Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
1,600,000 Ordinary Shares shares of £0.000001 each	2	2

18. Reserves

Group	Share premium account £	Profit and loss account £
At 1 November 2013	2,705,875	1,397,099
Loss for the financial year	-	(333,345)
At 31 October 2014	2,705,875	1,063,754
Company		
At 1 November 2013 and 31 October 2014	2,705,875	111,039

HICKS (1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2014

19. Reconciliation of movement in shareholders' funds

Group	2014 £	2013 £
Opening shareholders' funds	4,102,976	4,082,850
(Loss)/profit for the financial year	(333,345)	20,126
Closing shareholders' funds	3,769,631	4,102,976

Company	2014 £	2013 £
Shareholders' funds at 1 November 2013 and 31 October 2014	2,816,916	2,816,916

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account.

The profit for the year dealt with in the accounts of the company was £NIL (2013 - £NIL).

20. Equity minority interests

Group	£
At 1 November 2013	1,767,767
Proportion of loss after taxation for the year	(146,372)
At 31 October 2014	1,621,395

21. Net cash flow from operating activities

	2014 £	2013 £
Operating (loss)/profit	(592,356)	113,130
Depreciation of tangible fixed assets	971,326	457,898
Loss on disposal of tangible fixed assets	-	6,577
Decrease in stocks	149,570	45,790
Increase in debtors	(95)	(345,820)
Increase in creditors	360,038	424,473
Amortisation of deferred income	(551,342)	(201,522)
Net cash inflow from operating activities	337,141	500,526

HICKS (1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2014

22. Analysis of cash flows for headings netted in cash flow statement

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	21	37
Interest paid	(104,382)	(105,244)
Net cash outflow from returns on investments and servicing of finance	<u>(104,361)</u>	<u>(105,207)</u>
	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(340,832)	(69,617)
Sale of tangible fixed assets	-	6,853
Net cash outflow from capital expenditure	<u>(340,832)</u>	<u>(62,764)</u>
	2014 £	2013 £
Financing		
Repayment of bank loans	(85,031)	(83,378)
Repayment of hire purchase	-	(12,959)
Net cash outflow from financing	<u>(85,031)</u>	<u>(96,337)</u>

23. Analysis of changes in net debt

	1 November 2013 £	Cash flow £	Other non-cash changes £	31 October 2014 £
Cash at bank and in hand	442,515	(77,089)	-	365,426
Bank overdraft	-	(78,561)	-	(78,561)
	<u>442,515</u>	<u>(155,650)</u>	<u>-</u>	<u>286,865</u>
Debt:				
Debts due within one year	(2,096,948)	85,031	1,925,153	(86,764)
Debts falling due after more than one year	(229,978)	-	(1,925,153)	(2,155,131)
Net debt	<u>(1,884,411)</u>	<u>(70,619)</u>	<u>-</u>	<u>(1,955,030)</u>

HICKS (1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2014

24. Pension commitments

The group operates a defined contributions 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 and amounted to £68,510 (2013 - £45,601). Contributions totalling £10,202 (2013 - £7,220) were payable to the fund at the balance sheet date and are included in creditors.

25. Operating lease commitments

At 31 October 2014 the group had annual commitments under non-cancellable operating leases as follows:

Group	2014 £	2013 £
Expiry date:		
Within 1 year	-	1,762
Between 2 and 5 years	2,878	-
	<hr/>	<hr/>

HICKS (1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2014

26. Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related Party Disclosures" not to disclose transactions with other group entities whose voting rights are 100% controlled within the group.

During the year the group entered into the following transactions with related parties:

a) Ecotec Systems Limited

In the current and prior years, loans and funding have been provided to Ecotec Systems Limited, a company in which S R Sverdlhoff, the ultimate controlling party of the company, has an interest. At the year end, the balances outstanding and included within other debtors due after more than one year amounted to £243,372 (2013 - £243,372).

b) Barcelona Semiconductors S.L.U.

In the current and prior years, the group incurred costs relating to subcontracted research and development services from this entity to Barcelona Semiconductors S.L.U., a company in which S R Sverdlhoff, the ultimate controlling party of the company, has an controlling interest, of £74,348 (2013 - £126,271). During the year, the company provided against the amounts due from Barcelona Semiconductors S.L.U. in full. At the year end, the balance included within other debtors within one year amounted to £Nil (2014 - £57,036).

c) Advanced Eco Technology Limited

In the current and prior years, the group made sales to Advanced Eco Technology Limited, a company in which S R Sverdlhoff has an interest, of £NIL (2013 - £10,574). The group incurred costs relating to consultancy fees and management charges, from the company, amounting to £43,225 (2013 - £43,050) and £35,000 (2013 - £35,000) respectively. At the year end, the balance included within creditors amounted to £233,765 (2013 - £220,386).

d) Shareholder loan

At 31 October 2014 the company owed £209,928 (2013 - £145,610) to S R Sverdlhoff, the ultimate controlling party. The loan is interest free and has no fixed repayment date.

S R Sverdlhoff has also guaranteed a bank loan facility of £2,000,000, of which £1,999,925 (2013: £1,999,925) has been drawn down at the year end and is included within creditors.

e) Detector and Sensor Technologies Limited

In the current and prior years, the group made sales to Detector and Sensor Technologies Limited, a company in which J M Bruce and A D L James (directors of Semefab Limited, a subsidiary undertaking) are directors, of £72,166 (2013 - £99,575). At the year end, the balance included within trade debtors due within one year amounted to £12,113 (2013 - £4,920).

f) Included in debtors is an EBT debtor balance due from A D L James, a director of Semefab Limited, of £36,309 (2013: £36,309), which bears interest of 5% per annum and is repayable on demand.

HICKS (1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2014

27. Controlling party

S R Sverdloff is considered to be the ultimate controlling party by virtue of his controlling interest in the company's issued equity share capital.