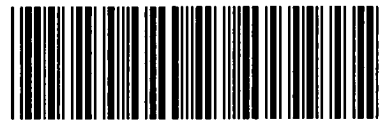


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REGISTERED NUMBER: 09009424 (England and Wales)

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTOR AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018  
FOR  
OLYMPUS ENGINEERING (HOLDINGS) LIMITED**

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COMPANIES HOUSE

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FOR THE YEAR ENDED 31 DECEMBER 2018**

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**OLYMPUS ENGINEERING (HOLDINGS) LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**DIRECTOR:**

B D Hancock

**REGISTERED OFFICE:**

Corpacq House  
1 Goose Green  
Altrincham  
Cheshire  
WA14 1DW

**REGISTERED NUMBER:**

09009424 (England and Wales)

**AUDITORS:**

Howard Worth  
Chartered Accountants and  
Statutory Auditors  
Drake House  
Gadbrook Park  
Northwich  
Cheshire  
CW9 7RA

**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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The director presents his strategic report of the Group for the year ended 31 December 2018.

**REVIEW OF BUSINESS**

The Group's principal activities during the period continued to be that of precision engineering.

2018 has been a successful year of strong growth and investment in people, equipment, systems and methods which build on the foundations laid down in 2017. Our focus has been, and remains, long term sustainable and profitable growth for the benefit of all stakeholders but in particular our employees, customers, shareholders and business partners.

We strive to have a 'right first time, every time' approach to all work, delivering first class products and services at all times.

The trading results for the year ended 31 December 2018 show a pre-tax profit of 1,062,792 before amortisation of goodwill of £262,225 which leaves a profit before tax on consolidation of £800,567 (2017 £810,074 before amortisation of £262,225 to leave a profit before tax on consolidation of 547,849). Turnover for the period was £13,956,621 (2017 £11,679,575).

The strengthening of commercial relationships and approaches supported by continued improvements in our overall service and quality levels in 2017 and 2018 has begun to pay dividends in the shape of increased sales with both existing and new customers.

Further, sustained investment in training, our apprenticeship program, recruitment and communication has not only delivered benefits in the year itself but, more importantly, begun to establish strong cultural foundations for the future.

Additionally continued investment in, and a focus on, the businesses operational effectiveness has substantially improved product quality as well as manufacturing effectiveness.

All of these initiatives are part of the Group's strategic plan, developed through 2017 and 2018 to deliver long term sustainable growth in an increasingly uncertain business environment.

The strong trading results for the Group have resulted in net shareholders funds of £5,359,674 (2017 £4,762,172).

**KEY PERFORMANCE INDICATORS**

Given the straight forward nature of the business, the Group's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The management of the business and the execution of the Group's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the Group are considered to relate to competition, employee retention, engineering performance and the general state of the economy.

The directors believe that the Group is well placed to embrace these challenges and to continue to deliver a strong financial performance in the future.

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group finances its operations through a mixture of retained profits and where necessary to fund expansion or capital expenditure programmes, through bank borrowings.

The management's objectives are to:

- retain sufficient liquid funds to enable it to meet its day to day obligations as they fall due whilst maximising returns on surplus funds;

**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

- 
- minimise the group's exposure to fluctuating interest rates when seeking new borrowings; and
  - match the repayment schedule of any external borrowings or overdrafts with the expected future cash flows expected to arise from the group's trading activities.

Where appropriate, funds are held primarily in short term variable rate deposit accounts. The directors believe that this gives them the flexibility to release cash resources at short notice and also allows them to take advantage of changing conditions in the finance markets as they arise. All deposits are with reputable UK banks and the directors believe their choice of bank minimises any credit risk associated with not placing funds on deposit with a UK clearing bank.

**ON BEHALF OF THE BOARD:**

  
B.D Hancock - Director

Date: 3/9/19

**REPORT OF THE DIRECTOR  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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The director presents his report with the financial statements of the company and the group for the year ended 31 December 2018.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2018.

**DIRECTOR**

B D Hancock held office during the whole of the period from 1 January 2018 to the date of this report.

**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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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.

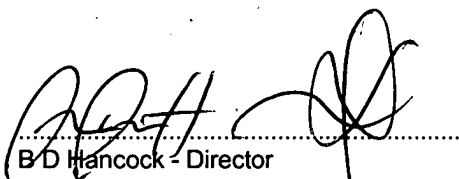
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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, Howard Worth, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

  
B D Hancock - Director

Date: 31/1/19

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF OLYMPUS ENGINEERING (HOLDINGS) LIMITED**

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### **Opinion**

We have audited the financial statements of Olympus Engineering (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2018 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the 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
- the Group Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
OLYMPUS ENGINEERING (HOLDINGS) LIMITED**

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**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Director.

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.

**Responsibilities of director**

As explained more fully in the Statement of Director's Responsibilities set out on page four, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

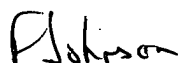
**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Use of our report**

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.



Fran Johnson BSc FCA (Senior Statutory Auditor)  
for and on behalf of Howard Worth  
Chartered Accountants and  
Statutory Auditors  
Drake House  
Gadbrook Park  
Northwich  
Cheshire  
CW9 7RA

Date: 3.9.19



**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018**


	Notes	31/12/18 £	31/12/17 £
<b>TURNOVER</b>	4	13,956,621	11,679,575
Cost of sales		10,317,940	8,443,406
<b>GROSS PROFIT</b>		3,638,681	3,236,169
Distribution costs		7,893	1,589
Administrative expenses		2,807,402	2,638,374
		2,815,295	2,639,963
		823,386	596,206
Other operating income	5	25,349	12,935
<b>OPERATING PROFIT</b>	8	848,735	609,141
Interest payable and similar expenses	9	48,167	61,292
<b>PROFIT BEFORE TAXATION</b>		800,568	547,849
Tax on profit	10	203,066	147,575
<b>PROFIT FOR THE FINANCIAL YEAR</b>		597,502	400,274
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		597,502	400,274
Profit attributable to: Owners of the parent		597,502	400,274
Total comprehensive income attributable to: Owners of the parent		597,502	400,274

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
31 DECEMBER 2018

	Notes	31/12/18 £	31/12/17 £
<b>FIXED ASSETS</b>			
Intangible assets	12	1,461,701	1,677,655
Tangible assets	13	3,868,815	3,827,856
Investments	14	-	-
		<u>5,330,516</u>	<u>5,505,511</u>
<b>CURRENT ASSETS</b>			
Stocks	15	1,554,331	1,366,042
Debtors	16	2,462,530	2,412,252
Cash at bank		324,850	185,909
		<u>4,341,711</u>	<u>3,964,203</u>
<b>CREDITORS</b>			
Amounts falling due within one year	17	3,421,088	3,464,109
<b>NET CURRENT ASSETS</b>		<u>920,623</u>	<u>500,094</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>6,251,139</u>	<u>6,005,605</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	18	(606,534)	(999,478)
<b>PROVISIONS FOR LIABILITIES</b>	23	(284,931)	(243,955)
<b>NET ASSETS</b>		<u>5,359,674</u>	<u>4,762,172</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	24	1,060,607	1,060,607
Retained earnings	25	4,299,067	3,701,565
<b>SHAREHOLDERS' FUNDS</b>		<u>5,359,674</u>	<u>4,762,172</u>

The financial statements were approved by the director on 31/1/19 and were signed by:

  
B.D. Hancock, Director

The notes form part of these financial statements

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**31 DECEMBER 2018**

	Notes	31/12/18 £	31/12/17 £
<b>FIXED ASSETS</b>			
Intangible assets	12	-	-
Tangible assets	13	-	-
Investments	14	8,824,338	8,824,338
		<u>8,824,338</u>	<u>8,824,338</u>
<b>CREDITORS</b>			
Amounts falling due within one year	17	7,768,915	7,763,731
<b>NET CURRENT LIABILITIES</b>		<u>(7,768,915)</u>	<u>(7,763,731)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,055,423</u>	<u>1,060,607</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	24	1,060,607	1,060,607
Retained earnings		(5,184)	-
<b>SHAREHOLDERS' FUNDS</b>		<u>1,055,423</u>	<u>1,060,607</u>
Company's loss for the financial year		<u>(5,184)</u>	<u>-</u>

The financial statements were approved by the director on 31/12/18 and were signed by:

  
 B'D Hancock - Director

The notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2017</b>	1,060,607	3,301,291	4,361,898
<b>Changes in equity</b>			
Total comprehensive income	-	400,274	400,274
<b>Balance at 31 December 2017</b>	<u>1,060,607</u>	<u>3,701,565</u>	<u>4,762,172</u>
<b>Changes in equity</b>			
Total comprehensive income	-	597,502	597,502
<b>Balance at 31 December 2018</b>	<u><u>1,060,607</u></u>	<u><u>4,299,067</u></u>	<u><u>5,359,674</u></u>

The notes form part of these financial statements

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2017</b>	1,060,607	-	1,060,607
<b>Changes in equity</b>			
<b>Balance at 31 December 2017</b>	<u>1,060,607</u>	<u>-</u>	<u>1,060,607</u>
<b>Changes in equity</b>			
Total comprehensive income	-	(5,184)	(5,184)
<b>Balance at 31 December 2018</b>	<u><u>1,060,607</u></u>	<u><u>(5,184)</u></u>	<u><u>1,055,423</u></u>

The notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	31/12/18 £	31/12/17 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	1,585,260	525,688
Interest paid		(25,347)	(36,347)
Interest element of hire purchase payments paid		(22,820)	(24,945)
Tax paid		(326,294)	(10)
Net cash from operating activities		<u>1,210,799</u>	<u>464,386</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(460,000)	(23,000)
Sale of tangible fixed assets		20,521	-
Net cash from investing activities		<u>(439,479)</u>	<u>(23,000)</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		(438,000)	(438,000)
New HP finance in year		437,000	-
Capital repayments in year		(295,223)	(320,485)
Net cash from financing activities		<u>(296,223)</u>	<u>(758,485)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>475,097</u>	<u>(317,099)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>(150,247)</u>	<u>166,852</u>
<b>Cash and cash equivalents at end of year</b>	2	<u><u>324,850</u></u>	<u><u>(150,247)</u></u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**1. RECONCILIATION OF PROFIT FOR THE FINANCIAL YEAR TO CASH GENERATED FROM OPERATIONS**

	31/12/18 £	31/12/17 £
Profit for the financial year	597,502	400,274
Depreciation charges	314,892	305,854
Loss on disposal of fixed assets	9,168	-
Amortisation charges	262,225	262,225
Impairment of fixed assets	74,460	-
Government grants	(46,271)	(378)
Finance costs	48,167	61,292
Taxation	203,066	147,575
	<u>1,463,209</u>	<u>1,176,842</u>
Increase in stocks	(188,289)	(459,630)
Increase in trade and other debtors	(50,278)	(586,346)
Increase in trade and other creditors	360,618	394,822
	<u>1,585,260</u>	<u>525,688</u>
<b>Cash generated from operations</b>	<u><u>1,585,260</u></u>	<u><u>525,688</u></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 31 December 2018**

	31/12/18 £	1/1/18 £
Cash and cash equivalents	324,850	185,909
Bank overdrafts	-	(336,156)
	<u>324,850</u>	<u>(150,247)</u>

**Year ended 31 December 2017**

	31/12/17 £	1/1/17 £
Cash and cash equivalents	185,909	166,852
Bank overdrafts	(336,156)	-
	<u>(150,247)</u>	<u>166,852</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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1. **COMPANY INFORMATION**

The principal place of business is:

Garner Street  
Stoke-on-Trent  
Staffordshire  
ST4 7AS

The group's principal activity is that of precision engineering. The group consists of Olympus Engineering (Holdings) Limited and all of its subsidiaries.

2. **STATUTORY INFORMATION**

Olympus Engineering (Holdings) 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.

3. **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" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The functional and presentation currency is Sterling (£).

**Going Concern**

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue operational existence for the foreseeable future. The group, therefore, continues to adopt the going concern basis in preparing the financial statements.

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. Subsidiary accounts are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the purchase method and goodwill on consolidation is capitalised and written off over 10 years from the year of acquisition. The results of companies acquired or disposed of are incorporated after or up to the date that control passes respectively. All financial statements are made up to 31 December 2017. All intra-group transactions and balances are eliminated on consolidation.

**Financial reporting standard 102 - reduced disclosure exemptions for Olympus Engineering Ltd**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;

**Critical accounting judgements and key sources of estimation uncertainty**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions or areas of judgement that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018

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3. ACCOUNTING POLICIES - continued

**Turnover**

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

Turnover from the sale of engineered components is recognised when the significant risks and rewards of ownership of the goods is transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

**Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business in 2014, is being amortised evenly over its estimated useful life of ten years.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of four years.

**Tangible fixed assets**

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

Freehold property	- 2% on cost
Plant and machinery	- 10% on reducing balance
Fixtures and fittings	- 15% on cost
Motor vehicles	- 25% on cost

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

The residual value of the freehold property is considered to be at least equal to the cost to the company hence there is no depreciation charge recorded in the financial statements.

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss. If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

**Stocks**

Stock and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated on a first-in first-out basis and includes all purchase, transport and handling costs in bringing stocks to their present location and condition.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018

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3. ACCOUNTING POLICIES - continued

**Financial instruments**

The company has elected to apply the provisions of section 11. 'Basic financial instruments' in FRS 102.

**Financial assets**

Trade, group and other debtors

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established where there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

**Financial liabilities**

Trade, group and other creditors

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

**Derecognition of financial assets and liabilities**

A financial asset is only derecognised when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, 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.

**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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018

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3. ACCOUNTING POLICIES - continued

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

An asset and corresponding liability are recognised for leasing agreements that transfer to the company substantially all of the risks and rewards incidental to ownership (finance leases). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit and loss so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are expensed as incurred.

All other leases are "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight-line basis over the lease term.

**Pension costs and other post-retirement benefits**

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

**Government grants**

Government grants received in respect of capital purchases are classified as deferred income and recognised as income over the useful life of the assets to which they relate.

**Fixed asset investments**

In the separate accounts of the company, investments represent the value of shares held in subsidiaries and are measured at cost less any provision required for impairment.

**Employee benefits**

The costs of short term employee benefits are recognised as a liability and expense. Employees are entitled to carry forward any unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employees services are received.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018

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:

	31/12/18 £	31/12/17 £
United Kingdom	13,775,966	11,662,283
Europe	180,655	17,292
	<u>13,956,621</u>	<u>11,679,575</u>

5. **OTHER OPERATING INCOME**

	31/12/18 £	31/12/17 £
Government grants	<u>25,349</u>	<u>12,935</u>

6. **EMPLOYEES AND DIRECTORS**

	31/12/18 £	31/12/17 £
Wages and salaries	4,657,121	4,195,413
Social security costs	450,922	405,892
Other pension costs	69,706	39,090
	<u>5,177,749</u>	<u>4,640,395</u>

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

	31/12/18	31/12/17
Productive	161	132
Management	7	6
Administration	6	6
	<u>174</u>	<u>144</u>

There are no employees in the company.

7. **DIRECTORS' EMOLUMENTS**

No directors of the holding company received emoluments (2017: £Nil).

The key management remuneration for the year was £189,590 (2017: £159,711).

No directors of the holding company are accruing retirement benefits (2017 None).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**8. OPERATING PROFIT**

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

	31/12/18	31/12/17
	£	£
Depreciation - owned assets	204,122	241,260
Depreciation - assets on hire purchase contracts	110,770	88,147
Loss on disposal of fixed assets	9,168	-
Goodwill amortisation	262,225	262,225
Auditors' remuneration	9,600	9,600
Foreign exchange differences	(4,300)	6,116
Operating lease rentals	<u>396,956</u>	<u>393,112</u>

**9. INTEREST PAYABLE AND SIMILAR EXPENSES**

	31/12/18	31/12/17
	£	£
Loan interest	25,347	36,347
Hire purchase	<u>22,820</u>	<u>24,945</u>
	<u>48,167</u>	<u>61,292</u>

**10. TAXATION****Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	31/12/18	31/12/17
	£	£
Current tax:		
UK corporation tax	162,090	141,435
Under provision in prior year	-	1,262
Total current tax	<u>162,090</u>	<u>142,697</u>
Deferred tax	<u>40,976</u>	<u>4,878</u>
Tax on profit	<u>203,066</u>	<u>147,575</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**10. TAXATION - continued****Reconciliation of total tax charge included in profit and loss**

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

	31/12/18 £	31/12/17 £
Profit before tax	<u>800,568</u>	<u>547,849</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.250%)	152,108	105,461
Effects of:		
Expenses not deductible for tax purposes	57,135	49,936
Income not taxable for tax purposes	(10,223)	(4,533)
Adjustments to tax charge in respect of previous periods	-	1,262
Unprovided deferrer tax	<u>4,046</u>	<u>(4,551)</u>
Total tax charge	<u>203,066</u>	<u>147,575</u>

**11. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME**

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

**12. INTANGIBLE FIXED ASSETS****Group**

	Goodwill £	Computer software £	Totals £
<b>COST</b>			
At 1 January 2018	2,622,253	-	2,622,253
Additions	<u>-</u>	<u>46,271</u>	<u>46,271</u>
At 31 December 2018	<u>2,622,253</u>	<u>46,271</u>	<u>2,668,524</u>
<b>AMORTISATION</b>			
At 1 January 2018	944,598	-	944,598
Amortisation for year	<u>262,225</u>	<u>-</u>	<u>262,225</u>
At 31 December 2018	<u>1,206,823</u>	<u>-</u>	<u>1,206,823</u>
<b>NET BOOK VALUE</b>			
At 31 December 2018	<u>1,415,430</u>	<u>46,271</u>	<u>1,461,701</u>
At 31 December 2017	<u>1,677,655</u>	<u>-</u>	<u>1,677,655</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018

13. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 January 2018	866,241	3,728,217	92,291	94,706	4,781,455
Additions	-	460,000	-	-	460,000
Disposals	-	(91,392)	-	(25,247)	(116,639)
Impairments	-	-	(74,460)	-	(74,460)
At 31 December 2018	866,241	4,096,825	17,831	69,459	5,050,356
<b>DEPRECIATION</b>					
At 1 January 2018	-	854,592	13,927	85,080	953,599
Charge for year	-	311,226	516	3,150	314,892
Eliminated on disposal	-	(61,704)	-	(25,246)	(86,950)
At 31 December 2018	-	1,104,114	14,443	62,984	1,181,541
<b>NET BOOK VALUE</b>					
At 31 December 2018	866,241	2,992,711	3,388	6,475	3,868,815
At 31 December 2017	866,241	2,873,625	78,364	9,626	3,827,856

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

	Plant and machinery £
<b>COST</b>	
At 1 January 2018	925,864
Additions	460,000
At 31 December 2018	1,385,864
<b>DEPRECIATION</b>	
At 1 January 2018	132,534
Charge for year	110,770
At 31 December 2018	243,304
<b>NET BOOK VALUE</b>	
At 31 December 2018	1,142,560
At 31 December 2017	793,330

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018

14. FIXED ASSET INVESTMENTS

Company

Shares in  
group  
undertakings  
£

**COST**

At 1 January 2018  
and 31 December 2018

8,824,338

**NET BOOK VALUE**

At 31 December 2018

8,824,338

At 31 December 2017

8,824,338

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

**Subsidiaries**

**Olympus Engineering Limited**

Registered office:

Nature of business: Precision engineering

Class of shares:

Ordinary

%  
holding  
100.00

31/12/18  
£

31/12/17  
£

Aggregate capital and reserves

11,713,159

10,848,249

Profit for the year

1,067,976

810,073

**Olympus Manufacturing Limited**

Registered office:

Nature of business: Dormant

Class of shares:

Ordinary

%  
holding  
100.00

31/12/18  
£

31/12/17  
£

Aggregate capital and reserves

100

100



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018

15. STOCKS

	Group	
	31/12/18	31/12/17
	£	£
Raw materials	1,042,942	876,184
Work-in-progress	511,389	489,858
	<u>1,554,331</u>	<u>1,366,042</u>

Stock recognised in cost of sales during the year as an expense was £5,842,403 (2017: £4,367,756).

As at 31 December 2018 a provision of £nil (2017: £Nil) was recognised against stock due to slow-moving and obsolete stock.

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	31/12/18	31/12/17
	£	£
Trade debtors	2,253,064	2,060,544
Other debtors	37,210	100,412
Prepayments and accrued income	172,256	251,296
	<u>2,462,530</u>	<u>2,412,252</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31/12/18	31/12/17	31/12/18	31/12/17
	£	£	£	£
Bank loans and overdrafts (see note 19)	-	336,156	-	-
Other loans (see note 19)	964,394	877,394	-	-
Hire purchase contracts (see note 20)	299,714	253,380	-	-
Trade creditors	1,282,400	1,107,098	-	-
Amounts owed to group undertakings	-	-	7,768,915	7,763,731
Taxation	162,090	326,294	-	-
Social security and other taxes	114,991	102,805	-	-
VAT	309,970	309,693	-	-
Other creditors	35,111	18,466	-	-
Accruals and deferred income	252,418	132,823	-	-
	<u>3,421,088</u>	<u>3,464,109</u>	<u>7,768,915</u>	<u>7,763,731</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018

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

	Group	
	31/12/18	31/12/17
	£	£
Other loans (see note 19)	-	525,000
Hire purchase contracts (see note 20)	315,486	220,043
Deferred government grants	291,048	254,435
	<u>606,534</u>	<u>999,478</u>

19. LOANS

An analysis of the maturity of loans is given below:

	Group	
	31/12/18	31/12/17
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	-	336,156
PNC P&M loan	525,000	438,000
Other loan	439,394	439,394
	<u>964,394</u>	<u>1,213,550</u>
Amounts falling due between one and two years:		
PNC P&M loan	-	438,000
Amounts falling due between two and five years:		
PNC P&M loan	-	87,000

The PNC P&M loan is repayable over 59 months from commencement. Interest on this loan is charged at 2.75% above Barclays Bank Plc base rate.

The bank overdraft is the discounting facility and is repayable on demand with interest charged on the outstanding balance at a rate of 2.25% above the Barclays Bank Plc base rate.

The other loan which is from Corpacq Limited, is repayable on demand. No interest is charged on this loan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018

20. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	31/12/18	31/12/17
	£	£
Net obligations repayable:		
Within one year	299,714	253,380
Between one and five years	315,486	220,043
	<u>615,200</u>	<u>473,423</u>

Group

	Non-cancellable operating leases	
	31/12/18	31/12/17
	£	£
Within one year	389,773	389,773
Between one and five years	162,008	551,780
	<u>551,781</u>	<u>941,553</u>

The company had total commitments under non-cancellable operating leases as detailed above.

21. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	31/12/18	31/12/17
	£	£
Bank overdraft	-	336,156
PNC P&M loan	525,000	963,000
Other loan	439,394	439,394
Hire purchase contracts	615,200	473,423
	<u>1,579,594</u>	<u>2,211,973</u>

The bank overdraft above at 31 December 2017 related to an invoice discounting facility advances are secured against the book debts of the company.

The Intercompany loan with Corpacq Limited is secured by a debenture dated 12 June 2014.

The P&M loan provided by PNC Business Credit is secured by a composite guarantee and debenture dated 12 June 2014.

The hire purchase creditor is secured on the assets to which the finance relates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018

22. FINANCIAL INSTRUMENTS

The carrying amount of the group's financial instruments at 31 December 2018 were:

	2018 £	2017 £
<b>Financial assets</b>		
Debt instruments measured at amortised cost	<u>2,290,274</u>	<u>2,160,956</u>
<b>Financial liabilities</b>		
Measured at amortised cost	<u>2,897,105</u>	<u>3,337,540</u>

23. PROVISIONS FOR LIABILITIES

	<b>Group</b>	
	31/12/18 £	31/12/17 £
Deferred tax	<u>284,931</u>	<u>243,955</u>
<b>Group</b>		
		Deferred tax £
Balance at 1 January 2018		243,955
Provided during year		<u>40,976</u>
Balance at 31 December 2018		<u>284,931</u>

The deferred tax provision is in respect of accelerated capital allowances.

24. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31/12/18 £	31/12/17 £
1,060,607	Ordinary	£1	<u>1,060,607</u>	<u>1,060,607</u>

Called up share capital represents the nominal value of shares that have been issued.

25. RESERVES

The movement on reserves is shown in the statements of changes in equity on pages 10 and 11.

26. PENSION COMMITMENTS

The group operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by an independent pension provider. The contributions payable during the year were £69,706 (2017: £39,060). Contributions totalling £18,594 (2017: £1,075) were payable to the fund at the end of the year and are included in creditors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018

27. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

**Entities with control, joint control or significant influence over the entity**

	31/12/18	31/12/17
	£	£
Management charge	200,000	233,333
Other purchases	3,620	4,102
Amount due to related party	<u>(439,603)</u>	<u>(439,734)</u>

The Corpacq creditor includes £209 (2017 £340) which is included in trade creditors.

**Entities that provide key management personnel services to the entity**

	31/12/18	31/12/17
	£	£
Management charge	<u>200,000</u>	<u>200,000</u>

28. ULTIMATE CONTROLLING PARTY

In the opinion of the director there is no ultimate controlling party.