

Company registration number: 01008689

**ANNUAL REPORT AND FINANCIAL  
STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2018**

**SPECAC LIMITED**



**MENZIES**  
BRIGHTER THINKING

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# SPECAC LIMITED

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## COMPANY INFORMATION

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<b>Director</b>	Mr D J Smith
<b>Registered number</b>	01008689
<b>Registered office</b>	River House 97 Cray Avenue Orpington Kent BR5 4HE
<b>Independent auditor</b>	Menzies LLP Chartered Accountants & Statutory Auditor Lynton House 7-12 Tavistock Square London WC1H 9LT

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# **SPECAC LIMITED**

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# SPECAC LIMITED

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## STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2018

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### Business review

The principal activity of the company is the manufacture of Spectroscopy accessories and sample preparation for the scientific instrument industry. The company continued to follow its long-term strategy during 2017/8 of supplying world leading spectroscopy accessories to its UK and world-wide customers, with exports contributing 88% of sales in the year. The company's consistent strong performance in export was acknowledged during 2018 when it won the Queen's Award for International Trade.

### Principal risks and uncertainties

The major uncertainty going forward is surrounding the United Kingdom decision to leave the European Union in the Brexit referendum in 2016. The current ambiguity around the impact of the decision on the UK economy and specifically manufacturing, will continue to unfold during 2018 & 2019. The company's strong brand and reputation with our customers ensure we are well positioned to meet the challenges of Brexit.

The company manages several business and operational risks which are typical for a company of its size and sector. Control is enhanced through regular Board and Leadership meetings which discuss and manage these risks to minimise their likelihood or impact on the company in so far as possible. Insurance, Proforma invoices for new customers, Quality audits and Health and Safety reviews also play an appropriate role in mitigating these risks. The company reviews its strategy on a regular basis in order to maximise its performance, as a result the company has continued to expand and develop its product range into an increased number of markets and regions.

### Financial key performance indicators

The directors regard Sales Growth and EBITDA as the Key Performance Indicators of the company.


	2018	2017
Sales growth	16.9%	17.2%
EBITDA	£1.15m	£1.54m

### Other key performance indicators

The company has continued to perform well in 2017/8 with all the key performance indicators meeting management expectations. The company has continued to deliver strong operating profits and cash flows.

The directors are satisfied with the performance of the company in the current year against their key performance indicators.

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

  
.....  
Mr D J Smith  
Director

Date: 17/12/2018

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# SPECAC LIMITED

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## DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2018

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The director presents his report and the financial statements for the year ended 31 March 2018.

### Director's responsibilities statement

The director is responsible for preparing the 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 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'. 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 of the profit or loss of the Company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies for the Company's financial statements 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 Company 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 to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Results and dividends

The profit for the year, after taxation, amounted to £905,508 (2017 - £1,235,412).

### Director

The director who served during the year was:

Mr D J Smith

### Matters covered in the strategic report

The Company has chosen in accordance with Section 414C(II) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the Company's Strategic Report, the information required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

### Disclosure of information to auditor

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

- so far as is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- 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's auditor is aware of that information.

### Auditor

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

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## SPECAC LIMITED

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### DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

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

  
.....  
**Mr D J Smith**  
Director

Date: 17/12/2018

River House  
97 Cray Avenue  
Orpington  
Kent  
BR5 4HE

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
SPECAC LIMITED**

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**Opinion**

We have audited the financial statements of Specac Limited (the 'Company') for the year ended 31 March 2018, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, 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 Company's affairs as at 31 March 2018 and of its 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Company'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 included in the Annual Report, other than the financial statements and our Auditor's Report 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.

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
SPECAC LIMITED (CONTINUED)**

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**Opinion 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 Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Director's Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 directors**

As explained more fully in the Director's Responsibilities Statement on page 2, 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 is 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 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 Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's 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 an Auditor's Report 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 Auditor's Report.

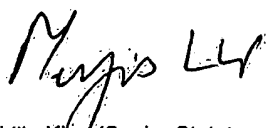


**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
SPECAC LIMITED (CONTINUED)**

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**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 an Auditor's 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.



Philip King (Senior Statutory Auditor)  
for and on behalf of  
**Menzies LLP**  
Chartered Accountants  
Statutory Auditor  
Lynton House  
7-12 Tavistock Square  
London  
WC1H 9LT  
Date: 18 December 2018

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# SPECAC LIMITED

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## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

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	Note	2018 £	2017 £
Turnover	4	10,598,096	9,067,169
Cost of sales		(5,490,703)	(5,084,964)
<b>Gross profit</b>		<b>5,107,393</b>	<b>3,982,205</b>
Distribution costs		(1,281,602)	(1,226,034)
Administrative expenses		(2,846,025)	(1,372,171)
Other operating income		-	61,746
<b>Operating profit</b>	5	<b>979,766</b>	<b>1,445,746</b>
Interest receivable and similar income		-	1
<b>Profit before tax</b>		<b>979,766</b>	<b>1,445,747</b>
Tax on profit	9	(74,258)	(210,335)
<b>Profit for the financial year</b>		<b>905,508</b>	<b>1,235,412</b>

There was no other comprehensive income for 2018 (2017: £NIL).


The notes on pages 10 to 19 form part of these financial statements.

**SPECAC LIMITED**  
**REGISTERED NUMBER:01008689**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	11	268,476	173,632
Investments	12	250,000	250,000
		<u>518,476</u>	<u>423,632</u>
<b>Current assets</b>			
Stocks	13	2,044,381	1,766,313
Debtors: amounts falling due within one year	14	2,050,968	1,653,352
Cash at bank and in hand	15	1,594,792	1,634,181
		<u>5,690,141</u>	<u>5,053,846</u>
Creditors: amounts falling due within one year	16	<u>(1,398,808)</u>	<u>(1,573,177)</u>
<b>Net current assets</b>		<u>4,291,333</u>	<u>3,480,669</u>
<b>Total assets less current liabilities</b>		<u>4,809,809</u>	<u>3,904,301</u>
<b>Net assets</b>		<u>4,809,809</u>	<u>3,904,301</u>
<b>Capital and reserves</b>			
Called up share capital	17	73,001	73,001
Share premium account	18	1,751,295	1,751,295
Profit and loss account	18	2,985,513	2,080,005
		<u>4,809,809</u>	<u>3,904,301</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
 .....  
**Mr D J Smith**  
 Director

Date: 17/12/2018

The notes on pages 10 to 19 form part of these financial statements.

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# SPECAC LIMITED

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## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

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	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 April 2016	73,001	1,751,295	1,006,612	2,830,908
Profit for the year	-	-	1,235,412	1,235,412
Total comprehensive income for the year	-	-	1,235,412	1,235,412
Dividends: Equity capital	-	-	(162,019)	(162,019)
Total transactions with owners	-	-	(162,019)	(162,019)
At 1 April 2017	73,001	1,751,295	2,080,005	3,904,301
Profit for the year	-	-	905,508	905,508
Total comprehensive income for the year	-	-	905,508	905,508
Total transactions with owners	-	-	-	-
At 31 March 2018	73,001	1,751,295	2,985,513	4,809,809

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# SPECAC LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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### 1. General information

Specac Limited is a private limited company incorporated in England and Wales and domiciled in the United Kingdom. The address of its registered office and principal place of business are disclosed on the company information page. The principal activities of the company was the design and manufacture of accessories for the scientific instrumentation industry.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

#### 2.2 Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Specac International Limited which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel.

#### 2.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

#### 2.4 Revenue

Revenue from the sale of goods is recognised in accounting periods in which the risks and rewards of ownership have been transferred to the customer, which is usually when title passes on delivery.

Revenue is measured at the fair value of the consideration received, net of trade discounts and sales taxes.

#### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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# SPECAC LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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### 2. Accounting policies (continued)

#### 2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- Over the remaining lease term
Plant and machinery	- 10% to 50% straight line
Fixtures, fittings, software, tools & equipment	- 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

No borrowing costs are capitalised as part of property, plant and equipment.

#### 2.6 Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

#### 2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

#### 2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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# SPECAC LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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### 2. Accounting policies (continued)

#### 2.10 Foreign currency translation

##### Functional and presentation currency

The Company's functional and presentational currency is GBP.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

#### 2.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

#### 2.12 Pensions

##### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

#### 2.13 Research and development

Research and development expenditure is written off in the period in which it is incurred.

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# SPECAC LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Significant judgments

The company did not make any significant judgements (apart from those involving estimations which are detailed below) that have a significant effect on the amounts recognised in the financial statements.

#### Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Management use estimation to calculate a provision on stock held by reviewing slower moving stock and providing for the stock over a certain criteria.

### 4. Turnover

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Sale of goods	10,598,096	9,067,169
	<u>10,598,096</u>	<u>9,067,169</u>

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	1,236,644	1,063,197
Europe	1,836,106	1,670,327
North America	4,426,111	4,016,483
Other overseas	3,099,235	2,317,162
	<u>10,598,096</u>	<u>9,067,169</u>



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# SPECAC LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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### 5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Research & development charged as an expense	800,614	393,127
Exchange differences	303,351	(93,147)
Other operating lease rentals	103,448	100,902
	<u>1,207,413</u>	<u>399,882</u>

### 6. Auditor's remuneration

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	18,500	18,000
	<u>18,500</u>	<u>18,000</u>

### 7. Employees

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

	2018 £	2017 £
Wages and salaries	2,428,699	2,056,806
Social security costs	250,992	197,981
Cost of defined contribution scheme	129,910	117,876
	<u>2,809,601</u>	<u>2,372,663</u>

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

	2018 No.	2017 No.
Production & operations	40	33
Admin & design	17	12
Sales & marketing	12	13
	<u>69</u>	<u>58</u>

# SPECAC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 8. Director's remuneration

	2018 £	2017 £
Director's emoluments	121,898	248,568
Company contributions to defined contribution pension schemes	9,814	12,536
	<u>131,712</u>	<u>261,104</u>

During the year retirement benefits were accruing to 1 director (2017 - 2) in respect of defined contribution pension schemes.

### 9. Taxation

	2018 £	2017 £
<b>Corporation tax</b>		
Current tax on profits for the year	98,354	210,335
Adjustments in respect of previous periods	(24,096)	-
	<u>74,258</u>	<u>210,335</u>
<b>Total current tax</b>	<u>74,258</u>	<u>210,335</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>979,766</u>	<u>1,445,747</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	186,156	289,149
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	3,887
Capital allowances for year in excess of depreciation	(24,990)	(33,416)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(24,096)	-
Other differences leading to an increase (decrease) in the tax charge	(5,632)	-
Group relief	(57,180)	(49,285)
<b>Total tax charge for the year</b>	<u>74,258</u>	<u>210,335</u>

# SPECAC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 10. Dividends

Dividends paid during the period (excluding those for which a liability existed at the end of the prior period):

	2018 £	2017 £
Dividends on equity shares relating to ordinary shares of £1 each	-	162,019
	-	162,019

### 11. Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At 1 April 2017	352,295	437,403	543,021	1,332,719
Additions	95,002	60,815	107,993	263,810
Transfers between classes	21,334	-	(21,334)	-
At 31 March 2018	468,631	498,218	629,680	1,596,529
<b>Depreciation</b>				
At 1 April 2017	344,056	339,163	475,868	1,159,087
Charge for the year on owned assets	47,016	59,255	62,695	168,966
Transfers between classes	5,334	-	(5,334)	-
At 31 March 2018	396,406	398,418	533,229	1,328,053
<b>Net book value</b>				
At 31 March 2018	72,225	99,800	96,451	268,476
At 31 March 2017	8,239	98,240	67,153	173,632

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# SPECAC LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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### 12. Fixed asset investments

	Shares in group undertakings £
<b>Cost</b>	
At 1 April 2017	250,000
At 31 March 2018	250,000
<b>Net book value</b>	
At 31 March 2018	250,000
At 31 March 2017	250,000

#### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Registered address
Specac Inc	Ordinary	100 %	The registered office of Specac Inc is: 414 Commerce Dr, Suite 175, Fort Washington, PA 19034, USA.

### 13. Stocks

	2018 £	2017 £
Raw materials and consumables	912,236	1,066,008
Work in progress	228,256	191,458
Finished goods and goods for resale	903,889	508,847
	2,044,381	1,766,313

The amount of stock recognised as an expense during the period was £3,302,039 (2017: £3,230,318).

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# SPECAC LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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### 14. Debtors

	2018 £	2017 £
Trade debtors	1,352,804	1,015,344
Amounts owed by group undertakings	275,184	177,648
Other debtors	113,210	66,997
Prepayments and accrued income	261,937	393,363
Tax recoverable	47,833	-
	<u>2,050,968</u>	<u>1,653,352</u>

### 15. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	1,594,792	1,634,181
	<u>1,594,792</u>	<u>1,634,181</u>

### 16. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	817,238	864,913
Amounts owed to group undertakings	74,428	-
Corporation tax	-	209,920
Other taxation and social security	67,765	51,263
Other creditors	870	18,565
Accruals and deferred income	438,507	428,516
	<u>1,398,808</u>	<u>1,573,177</u>

### 17. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
73,001 (2017 - 73,001) Ordinary shares of £1.00 each	<u>73,001</u>	<u>73,001</u>

The shares have attached to them full voting, dividend and capital distribution rights.

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# SPECAC LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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### 18. Reserves

#### Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

#### Profit and loss account

This reserve records retained earnings and accumulated losses.

### 19. Commitments under operating leases

At 31 March 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	264,962	266,355
Later than 1 year and not later than 5 years	110,845	377,770
	<u>375,807</u>	<u>644,125</u>

On 3 August 2018 the company entered into an agreement to take on a lease at a new premises in mid-2019. The new lease has rental payments of approximately £500k per annum, depending on the final to be agreed floor area, with the first 11 months being rent free. The lease length is for 15 years.

### 20. Contingent liability

There is a floating charge over all of the company's assets which relates to loans of £2,340,000 owed by the parent company, Specac International Limited. The directors consider that no liability is expected to arise.

### 21. Related party transactions

The company is exempt from disclosing related party transactions with entities that are part of the Specac International Limited group.

### 22. Controlling party

The company's immediate parent undertaking is Specac International Limited, a company incorporated in the United Kingdom. Specac International Limited prepares group accounts, and that group is the largest and smallest group of undertakings for which group accounts are drawn up. Copies of the group accounts are publicly available at Companies House.

Foresight VCT plc, Foresight 3 VCT plc and Foresight 4 VCT plc collectively have a controlling stake in the parent, Specac International Limited. However they each have an independent Board of Directors who makes decisions about the Company independent of each other. The Foresight VCTs are managed by Foresight Group CI Limited, an entity independent of each of the Foresight VCTs.