

Registration number 03579622

Cooke Optics Limited
Abbreviated accounts
for the year ended 30 June 2013

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Cooke Optics Limited

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Cooke Optics Limited

Director's report for the year ended 30 June 2013

The directors present their report and the accounts for the year ended 30 June 2013

Principal activity and review of the business

The principal activity of the company continued to be that of the design and manufacture of precision optical components

Business review

The sales for the year increased to £8,881,556 (2012 £7,529,540) at an improved gross margin of 50% (2012 47%) Administrative expenses increased from £2,029,108 to £2,722,062 this year resulting in a net profit of £1,679,821 (2012 £1,496,444)

Results and dividends

The results for the year are set out on page 4

The directors have paid an interim dividend amounting to £1,000,043 and they do not recommend payment of a final dividend

Financial risk management objectives and policies

The company will always seek to operate within its agreed overdraft facility with the bank. Most of the sales are arranged by the receipts from customers in advance as deposits on future orders and most of the suppliers are UK based. The company does not therefore need to have hedging arrangements in respect to trade debtors or creditors.

The company is reliant on overdraft facilities from the bank and therefore has a cash flow and liquidity risk although at present due to successful trading does not have the requirement to use the facilities in place. The bank is currently satisfied with the company's financial performance and the directors do not think there is any risk of facilities being withdrawn or reduced.

Fixed assets

There was no significant variation in the market value of the Freehold Land and Buildings compared with the carrying value at the balance sheet date.

Future developments

The company is continuing to research and develop further optical systems and is in a very good market position to take advantage of opportunities which may arise in the future.

Directors

The directors who served during the year are as stated below

L Zellan
R D Howard
G Genin
B Lowry

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Cooke Optics Limited

Director's report for the year ended 30 June 2013

continued

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors must not approve the financial statements unless they are 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently,
- make judgements and 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 directors are 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Brooks Mayfield Audit Limited are deemed to be reappointed in accordance with an elective resolution made under Section 386(1) of the Companies Act 1985 which continues in force under the Companies Act 2006.

This report was approved by the Board on 26 November 2013 and signed on its behalf by



R D Howard
Director

**Independent auditors' report to Cooke Optics Limited
under Section 449 of the Companies Act 2006**

We have examined the abbreviated accounts set out on pages 4 to 17 together with the financial statements of Cooke Optics Limited for the year ended 30 June 2013 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with that provision.

..
William Oates (senior statutory auditor)
For and on behalf of Brooks Mayfield Audit Limited
Chartered Accountants and
Registered Auditors

26 November 2013

12 Bridgford Road
West Bridgford
Nottingham
NG2 6AB

Cooke Optics Limited

**Abbreviated profit and loss account
for the year ended 30 June 2013**

		Continuing operations	
		2013	2012
	Notes	£	£
Turnover		8,881,556	7,529,540
Gross profit		4,410,406	3,538,159
Administrative expenses		(2,722,062)	(2,029,108)
Operating profit	2	1,688,344	1,509,051
Other interest receivable and similar income	4	5,536	1,513
Interest payable and similar charges	5	(14,059)	(14,120)
Profit on ordinary activities before taxation		1,679,821	1,496,444
Tax on profit on ordinary activities	8	(215,851)	(291,531)
Profit for the year	18	1,463,970	1,204,913
Retained profit brought forward		2,646,519	1,962,886
Reserve Movements		(1,000,043)	(521,280)
Retained profit carried forward		3,110,446	2,646,519

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 7 to 17 form an integral part of these financial statements.

Cooke Optics Limited

**Abbreviated balance sheet
as at 30 June 2013**

		2013		2012	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10		1,828,216		1,799,995
Current assets					
Stocks	11	2,355,661		2,184,176	
Debtors	12	988,835		412,766	
Cash at bank and in hand		687,014		786,556	
		<u>4,031,510</u>		<u>3,383,498</u>	
Creditors: amounts falling due within one year	13	<u>(2,111,298)</u>		<u>(1,940,181)</u>	
Net current assets			<u>1,920,212</u>		<u>1,443,317</u>
Total assets less current liabilities			3,748,428		3,243,312
Creditors: amounts falling due after more than one year	14		(195,012)		(160,686)
Provisions for liabilities	15		<u>(86,807)</u>		<u>(79,944)</u>
Net assets			<u>3,466,609</u>		<u>3,002,682</u>
Capital and reserves					
Called up share capital	17		16,290		16,290
Share premium account	18		338,018		338,018
Other reserves	18		1,855		1,855
Profit and loss account	18		<u>3,110,446</u>		<u>2,646,519</u>
Shareholders' funds	19		<u>3,466,609</u>		<u>3,002,682</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Section 445(3) of the Companies Act 2006 relating to medium-sized companies

The abbreviated accounts were approved by the Board on 26 November 2013 and signed on its behalf by



R D Howard
Director

Registration number 03579622

The notes on pages 7 to 17 form an integral part of these financial statements.

Cooke Optics Limited

Cash flow statement for the year ended 30 June 2013

	Notes	2013 £	2012 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		1,688,344	1,509,051
Depreciation		237,209	209,610
(Increase) in stocks		(171,485)	(180,681)
(Increase) in debtors		(576,069)	(61,311)
Increase in creditors		228,773	224,691
Net cash inflow from operating activities		<u>1,406,772</u>	<u>1,701,360</u>
Cash flow statement			
Net cash inflow from operating activities		1,406,772	1,701,360
Returns on investments and servicing of finance	23	(5,482)	(7,135)
Taxation	23	(291,572)	(66,911)
Capital expenditure	23	(265,432)	(225,636)
		844,286	1,401,678
Equity dividends paid		(1,000,043)	(521,280)
		(155,757)	880,398
Financing	23	56,213	(263,195)
Increase in cash in the year		<u>(99,544)</u>	<u>617,203</u>
Reconciliation of net cash flow to movement in net debt (Note 24)			
Increase in cash in the year		(99,544)	617,203
Cash inflow from increase in debts and lease financing		(56,216)	263,195
Change in net debt resulting from cash flows		(155,760)	880,398
Movement in net debt in the year		(155,760)	880,398
Net funds at 1 July 2012		475,873	(404,525)
Net funds at 30 June 2013		<u>320,113</u>	<u>475,873</u>

Cooke Optics Limited

Notes to the abbreviated financial statements for the year ended 30 June 2013

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of goods provided to customers and work carried out in respect of services provided to customers

1.3. Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

Land and buildings	-	over 50 years	
Plant and machinery	-	variable over 2-10 years	
Fixtures, fittings and equipment	-	variable over 2-3 years	-
Motor vehicles	-	over 4 years	

1.5. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period

1.6. Stock

Stock is valued at the lower of cost and net realisable value

1.7. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year

Cooke Optics Limited

Notes to the abbreviated financial statements for the year ended 30 June 2013

. continued

1.8. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable,

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

1.9. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account

2. Operating profit	2013 £	2012 £
Operating profit is stated after charging		
Depreciation and other amounts written off tangible assets	237,209	209,610
Research and development		
- expenditure in current year	702,810	343,657
Auditors' remuneration (Note 3)	7,350	7,350

Cooke Optics Limited

**Notes to the abbreviated financial statements
for the year ended 30 June 2013**

continued

3. Auditors' remuneration

	2013	2012
	£	£
Auditors' remuneration - audit of the financial statements	<u>5,300</u>	<u>5,300</u>
Auditors' remuneration - other fees		
- taxation services	800	800
- Accounts preparation	<u>1,250</u>	<u>1,250</u>
	<u>2,050</u>	<u>2,050</u>

4. Interest receivable and similar income

	2013	2012
	£	£
Bank interest	<u>5,536</u>	<u>1,513</u>

5. Interest payable and similar charges

	2013	2012
	£	£
Interest payable on loans < 1 yr	3,041	6,507
Hire purchase interest	<u>11,018</u>	<u>7,613</u>
	<u>14,059</u>	<u>14,120</u>

Cooke Optics Limited

Notes to the abbreviated financial statements for the year ended 30 June 2013

continued

6. Employees

Number of employees	2013	2012
The average monthly numbers of employees (including the directors) during the year were		
Administration	4	4
Manufacturing	81	75
	<u>85</u>	<u>79</u>

Employment costs	2013	2012
	£	£
Wages and salaries	1,888,782	1,471,696
Pension costs-other operating charge	157,661	160,221
	<u>2,046,443</u>	<u>1,631,917</u>

6.1. Directors' remuneration

	2013	2012
	£	£
Remuneration and other emoluments	136,445	106,473
Pension contributions	50,000	57,060
	<u>186,445</u>	<u>163,533</u>

	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>1</u>	<u>1</u>

7. Pension costs

The company operates a defined contribution pension scheme in respect of the directors and employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £157,661 (2012 - £160,221).

Cooke Optics Limited

Notes to the abbreviated financial statements for the year ended 30 June 2013

continued

8. Tax on profit on ordinary activities

Analysis of charge in period	2013 £	2012 £
Current tax		
UK corporation tax	208,988	291,572
Adjustments in respect of previous periods	-	(41)
	<u>208,988</u>	<u>291,531</u>
Total current tax charge	<u>208,988</u>	<u>291,531</u>
Deferred tax		
Timing differences, origination and reversal	6,863	-
Total deferred tax	<u>6,863</u>	<u>-</u>
Tax on profit on ordinary activities	<u>215,851</u>	<u>291,531</u>

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (23.75 per cent). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before taxation	<u>1,679,821</u>	<u>1,496,444</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.75% (30 June 2012 25.50%)	398,957	381,593
Effects of:		
Expenses not deductible for tax purposes	(1,577)	4,591
Capital allowances for period in excess of depreciation	(4,613)	(865)
Adjustments to tax charge in respect of previous periods	-	(41)
Research and development tax credit	<u>(183,779)</u>	<u>(93,747)</u>
Current tax charge for period	<u>208,988</u>	<u>291,531</u>

Cooke Optics Limited

Notes to the abbreviated financial statements for the year ended 30 June 2013

continued

9. Intangible fixed assets

	Goodwill £	Total £
Cost		
At 1 July 2012	733,560	733,560
At 30 June 2013	733,560	733,560
Amortisation		
At 1 July 2012	733,560	733,560
At 30 June 2013	733,560	733,560

The total gross cost of goodwill carried in the balance sheet is £733,560 relating to the acquisition of Cooke Optics Limited, a division of Taylor Hobson Limited. Cooke Optics operates in an established and profitable market sector and has over 100 years continuous years of history. The sector has high market entry barriers due to the specialised and skilled workforce required.

The directors have considered the costs and decided to amortise the goodwill on a straight line basis over ten years from the date of purchase. The total cost of the goodwill has now been written off in the accounts.

10. Tangible fixed assets	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 July 2012	1,742,342	3,918,931	198,613	1,450	5,861,336
Additions	9,998	235,750	19,684	-	265,432
At 30 June 2013	1,752,340	4,154,681	218,297	1,450	6,126,768
Depreciation					
At 1 July 2012	797,309	3,067,877	195,593	564	4,061,343
Charge for the year	33,620	200,730	2,376	483	237,209
At 30 June 2013	830,929	3,268,607	197,969	1,047	4,298,552
Net book values					
At 30 June 2013	921,411	886,074	20,328	403	1,828,216
At 30 June 2012	945,033	851,054	3,020	886	1,799,993

Cooke Optics Limited

**Notes to the abbreviated financial statements
for the year ended 30 June 2013**

continued

Included above are assets held under finance leases or hire purchase contracts as follows

Asset description	2013		2012	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Plant and machinery	<u>437,918</u>	<u>60,868</u>	<u>362,142</u>	<u>60,606</u>
11. Stocks			2013 £	2012 £
Finished goods and goods for resale			<u>2,355,661</u>	<u>2,184,176</u>
12. Debtors			2013 £	2012 £
Trade debtors			767,004	264,211
Other debtors			79,681	109,314
Prepayments and accrued income			<u>142,150</u>	<u>39,241</u>
			<u>988,835</u>	<u>412,766</u>
13. Creditors: amounts falling due within one year			2013 £	2012 £
Bank loan			90,000	120,000
Net obligations under finance leases and hire purchase contracts			81,887	30,000
Trade creditors			1,120,756	1,070,614
Corporation tax			208,988	291,572
Other taxes and social security costs			55,955	46,137
Other creditors			60,483	-
Accruals and deferred income			<u>493,229</u>	<u>381,858</u>
			<u>2,111,298</u>	<u>1,940,181</u>

The bank loan is secured on a legal charge over the company's freehold property and a debenture over all assets of the company

Cooke Optics Limited

**Notes to the abbreviated financial statements
for the year ended 30 June 2013**

continued

14. Creditors: amounts falling due after more than one year	2013 £	2012 £
Bank loan	-	90,000
Net obligations under finance leases and hire purchase contracts	195,012	70,686
	<u>195,012</u>	<u>160,686</u>
15. Provisions for liabilities		
	Deferred taxation (Note 16) £	Total £
At 1 July 2012	79,944	79,944
Movements in the year	6,863	6,863
At 30 June 2013	<u>86,807</u>	<u>86,807</u>
16. Provision for deferred taxation	2013 £	2012 £
Accelerated capital allowances	86,807	79,944
Provision for deferred tax	<u>86,807</u>	<u>79,944</u>
Provision at 1 July 2012	79,944	
Deferred tax charge in profit and loss account	6,863	
Provision at 30 June 2013	<u>86,807</u>	

Cooke Optics Limited

**Notes to the abbreviated financial statements
for the year ended 30 June 2013**

continued

17.	Share capital			2013 £	2012 £
	Authorised				
	16,290 Ordinary shares of £1 each			16,290	16,290
	Allotted, called up and fully paid				
	16,290 Ordinary shares of £1 each			16,290	16,290
	Equity Shares				
	16,290 Ordinary shares of £1 each			16,290	16,290
18.	Equity Reserves	Share premium account £	Profit and loss account £	Capital redemption reserve £	Total £
	At 1 July 2012	338,018	2,646,519	1,855	2,986,392
	Profit for the year		1,463,970		1,463,970
	Equity Dividends		(1,000,043)		(1,000,043)
	At 30 June 2013	338,018	3,110,446	1,855	3,450,319
19.	Reconciliation of movements in shareholders' funds			2013 £	2012 £
	Profit for the year			1,463,970	1,204,913
	Dividends			(1,000,043)	(521,280)
				463,927	683,633
	Opening shareholders' funds			3,002,682	2,319,049
	Closing shareholders' funds			3,466,609	3,002,682
20.	Capital commitments			2013 £	2012 £
	Details of capital commitments at the accounting date are as follows				
	Contracted for but not provided in the financial statements			-	41,711

Cooke Optics Limited

Notes to the abbreviated financial statements for the year ended 30 June 2013

continued

21. Transactions with directors

During the year dividends of £50,033 (2012 £Nil) were paid to R D Howard

22. Related party transactions

The company made sales during the year to ZGC Inc of £3,444,798 (2012 £2,917,016). ZGC Inc are related to the holders of a majority holding in Cooke Optics Limited, ZGC Llc by virtue of common ownership. The transactions are at arms length and normal commercial terms.

The company paid a management charge to ZGC Inc of £78,000 (2012 £78,000) for management and other services provided during the year. At the end of the year there was a balance owing to Cooke Optics Limited of £381,107 (2012 £85,810).

The company also purchased goods from Datalink Electronics Limited of £47,576 (2012 £22,800). R D Howard is a director of Datalink Electronics Limited. At the end of the year there was a balance owing to Datalink Electronics Limited of £1,263 (2012 £5,985).

During the year dividends of £950,010 (2012 £495,200) were paid to ZGC Llc along with a further £Nil (2012 £26,080) paid to Mrs D Howard, the wife of R D Howard.

Cooke Optics Limited

**Notes to the abbreviated financial statements
for the year ended 30 June 2013**

continued

23. Gross cash flows

	2013	2012
	£	£
Returns on investments and servicing of finance		
Interest received	5,536	1,513
Interest paid	(11,018)	(8,648)
	<u>(5,482)</u>	<u>(7,135)</u>
Taxation		
Corporation tax paid	(291,572)	(66,911)
Capital expenditure		
Payments to acquire tangible assets	(265,432)	(225,636)
Financing		
Repayment of bank loan	(120,000)	(120,000)
Capital element of finance leases and hire purchase contracts	176,213	(143,195)
	<u>56,213</u>	<u>(263,195)</u>

24. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	786,556	(99,542)	687,014
Debt due within one year	(120,000)	30,000	(90,000)
Debt due after one year	(90,000)	90,000	-
Finance leases and hire purchase contracts	(100,683)	(176,216)	(276,899)
	<u>(310,683)</u>	<u>(56,216)</u>	<u>(366,899)</u>
Net funds	<u>475,873</u>	<u>(155,758)</u>	<u>320,115</u>