

Company Registration No. 01779997 (England and Wales)

NORTHERN HI-TEC LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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NORTHERN HI-TEC LIMITED

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NORTHERN HI-TEC LIMITED

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	3		869,119		660,676
Current assets					
Stocks		1,775,361		1,661,148	
Debtors	4	940,788		797,479	
Cash at bank and in hand		205,650		107,041	
		<u>2,921,799</u>		<u>2,565,668</u>	
Creditors: amounts falling due within one year	5	<u>(1,771,465)</u>		<u>(1,589,171)</u>	
Net current assets			1,150,334		976,497
Total assets less current liabilities			2,019,453		1,637,173
Creditors: amounts falling due after more than one year	6		(352,738)		(250,635)
Provisions for liabilities			<u>(125,518)</u>		<u>(103,382)</u>
Net assets			<u>1,541,197</u>		<u>1,283,156</u>
Capital and reserves					
Called up share capital	7		276,000		276,000
Profit and loss reserves			<u>1,265,197</u>		<u>1,007,156</u>
Total equity			<u>1,541,197</u>		<u>1,283,156</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 March 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

NORTHERN HI-TEC LIMITED**BALANCE SHEET (CONTINUED)****AS AT 31 MARCH 2019**

The financial statements were approved by the board of directors and authorised for issue on 2 August 2019 and are signed on its behalf by:

Ms M S Hewitt
Director

Company Registration No. 01779997

NORTHERN HI-TEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

Northern Hi-Tec Limited is a private company limited by shares incorporated in England and Wales. The registered office is Wasco House, Willow Lane, Lancaster, LA1 5NA.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

At the year end the company has a much improved short term long term order book and the increase in the year end stock reflects this. The company has adequate finances in place to fulfil these orders and help support the company's continued growth.

1.3 Turnover

Turnover represents amounts receivable for the manufacture of circuit boards and related products net of VAT and trade discounts, to the extent that the company has a right to consideration arising from its contractual arrangements.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	5% straight line
Leasehold improvements	5% straight line
Plant and machinery	10% straight line / 6% straight line
Motor vehicles	20% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

NORTHERN HI-TEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential. At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

NORTHERN HI-TEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

The company has no financial assets which are classified as other financial assets in these financial statements.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

The company has no financial liabilities which are classified as other financial liabilities in these financial statements.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

NORTHERN HI-TEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

1.13 Retirement benefits

The company operates two defined contribution schemes for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability. Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 71 (2018 - 73).

NORTHERN HI-TEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

3 Tangible fixed assets

	Land and buildings Leasehold	Leasehold improvements	Plant and machinery	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2018	112,613	-	1,843,776	17,490	1,973,879
Additions	-	28,899	287,285	-	316,184
Disposals	-	-	(135,046)	-	(135,046)
	<u>112,613</u>	<u>28,899</u>	<u>1,996,015</u>	<u>17,490</u>	<u>2,155,017</u>
At 31 March 2019	112,613	28,899	1,996,015	17,490	2,155,017
Depreciation and impairment					
At 1 April 2018	67,317	-	1,238,339	7,546	1,313,202
Depreciation charged in the year	5,631	714	98,899	2,498	107,742
Eliminated in respect of disposals	-	-	(135,046)	-	(135,046)
	<u>72,948</u>	<u>714</u>	<u>1,202,192</u>	<u>10,044</u>	<u>1,285,898</u>
At 31 March 2019	72,948	714	1,202,192	10,044	1,285,898
Carrying amount					
At 31 March 2019	<u>39,665</u>	<u>28,185</u>	<u>793,823</u>	<u>7,446</u>	<u>869,119</u>
At 31 March 2018	<u>45,296</u>	<u>-</u>	<u>605,437</u>	<u>9,943</u>	<u>660,676</u>

4 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	918,279	779,844
Prepayments and accrued income	22,509	17,635
	<u>940,788</u>	<u>797,479</u>

NORTHERN HI-TEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

5 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Obligations under finance leases		122,407	178,112
Trade creditors		550,294	499,042
Corporation tax		25,323	62,221
Other taxation and social security		201,028	190,206
Other creditors		846,867	621,548
Accruals and deferred income		25,546	38,042
		<u>1,771,465</u>	<u>1,589,171</u>

Hire purchase obligations totalling £122,407 (2018: £178,112) are secured against the assets to which they relate.

Other creditors totalling £685,806 (2018: £455,252) are secured by way of a fixed and floating charge over the undertaking and all property and assets present and future, including goodwill, book debts, uncalled capital, buildings and fixed plant and machinery.

6 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Obligations under finance leases		<u>352,738</u>	<u>250,635</u>

Hire purchase obligations totalling £352,738 (2018: £250,635) are secured against the assets to which they relate.

7 Called up share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
153,332 Ordinary A shares of £1 each	153,332	153,332
14,168 Ordinary B shares of £1 each	14,168	14,168
2,083 Ordinary C shares of £1 each	2,083	2,083
1,041 Ordinary D shares of £1 each	1,041	1,041
1,042 Ordinary E shares of £1 each	1,042	1,042
2,500 Ordinary F shares of £1 each	2,500	2,500
2,083 Ordinary G shares of £1 each	2,083	2,083
2,083 Ordinary H shares of £1 each	2,083	2,083
96,668 Ordinary I shares of £1 each	96,668	96,668
500 Ordinary K shares of £1 each	500	500
500 Ordinary L shares of £1 each	500	500
	<u>276,000</u>	<u>276,000</u>

NORTHERN HI-TEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

7 Called up share capital

(Continued)

Each class of share rank pari passu in all respects save that the directors may at any time resolve to declare a dividend on one class of share and not another class.

8 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2019	2018
£	£
477,500	146,500
<u> </u>	<u> </u>

NORTHERN HI-TEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

9 Related party transactions

The following amounts were outstanding at the reporting end date:

	2019	2018
Amounts owed to related parties	£	£
Key management personnel	146,326	152,110
	<u>146,326</u>	<u>152,110</u>
	<u><u>146,326</u></u>	<u><u>152,110</u></u>

No guarantees have been given or received.

Interest totalling £7,217 (2018: £9,734) has been charged to the company on the loans detailed above.

