

REGISTERED NUMBER: 04849220 (England and Wales)

Strategic Report, Report of the Directors and
Financial Statements for the Period 1 July 2018 to 31 December 2018
for
Speedboard Assembly Services Limited

Speedboard Assembly Services Limited (Registered number: 04849220)

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for the Period 1 July 2018 to 31 December 2018**

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Speedboard Assembly Services Limited

Company Information **for the Period 1 July 2018 to 31 December 2018**

DIRECTORS:	Mr N Owen Ms F E E Frykstrand Mr H Nygren
REGISTERED OFFICE:	1a Alma Road Windsor Berkshire SL4 3HU
REGISTERED NUMBER:	04849220 (England and Wales)
SENIOR STATUTORY AUDITOR:	Philippa Duckworth BSc FCCA
AUDITORS:	Wilson Partners Limited Chartered Accountants 5a Frascati Way Maidenhead Berkshire SL6 4UY

Speedboard Assembly Services Limited (Registered number: 04849220)

Strategic Report
for the Period 1 July 2018 to 31 December 2018

The directors present their strategic report for the period 1 July 2018 to 31 December 2018.

REVIEW OF BUSINESS

On 1st November NOTE acquired all shares in Speedboard Assembly Services Ltd.

Speedboard has been developing successfully for several years. The company has a cost-effective production methodology, several surface mounting lines and a high level of expertise in box build (complete products).

Customers are found primarily in advanced communication, surveillance, security and medical technology.

The operations are conducted in Windsor outside London and the number of employees amounts to approximately 100.

Speedboard's business model is reminiscent of NOTE's, and builds on long-term customer relationships, high quality services and good delivery precision, which strengthens the customers' competitiveness.

Speedboard's former co-owner Neil Owen will continue to act as Managing Director of the company, and Richard Watson, Finance Director, will remain for a while to ensure a smooth transition process.

As a result of the change of ownership the financial year for Speedboard has changed from July to June, to January to December. Consequently, these accounts are for 6 months only to align the years.

The six months from July to December delivered record sales and profitability, continuing the 4 year trend of steady growth.

2019 will see Speedboard integrate into NOTE's operating model. Activities include for example; IT support and management being run centrally, supplier contracts being harmonised, ISO9001 being changed from BSI to LRQA along with Speedboard attaining ISO14001 accreditation for the first time.

Based on our discussions with customers, the outlook for 2019 and beyond looks very promising. We continue to attract and secure the small number of additional new opportunities we seek to help diversify the customer base here in Windsor. We will also begin to explore other group wide opportunities that can be managed from Windsor.

Speedboard Assembly Services Limited (Registered number: 04849220)

Strategic Report **for the Period 1 July 2018 to 31 December 2018**

PRINCIPAL RISKS AND UNCERTAINTIES

The risks and uncertainties listed 6 months ago still remain and are detailed below. However, as we near the point of Brexit additional uncertainty and potential risk looms large. Customers are demanding "stock-piling" of core products which we service via KANBAN. This will result in higher levels of stock and a corresponding strain on cash flow. In addition, we will need to call in components earlier than normal to mitigate from the risk of a "No-deal" Brexit and possible delays in ports. This will add to stock and cash flow demand.

Other than Brexit, the main risk is the loss or failure of one or more major customer. To help reduce this risk the financial health of all our customers is closely monitored.

The supply chain for electronic components remains a significant problem with manufactures extending lead-times, increasing prices and in some cases putting product on allocation which restricts availability. We are working very closely with customers and suppliers however we are now seeing limited negative impact on our deliveries to customers

Other risks include reduced margins due to price pressure / cost increases, the failure of critical IT systems and the normal perils of fire, flooding etc. The directors are satisfied that there are suitable plans in place and enough resilience in the business to deal with these risks were they to materialise.

FINANCIAL PERFORMANCE AND INDICATORS

The directors maintain detailed budgets and monthly accounts and operate a selection of KPIs to help monitor the business performance and opportunities for improvement.

The directors consider that the company's key financial performance indicators in the current economic climate are those that communicate the profitability and strength of the company as a whole, these being pre-tax profit and net assets.

Pre-tax profit for the period was £716,098

Net assets at the period end were £3,913,990

Given the improvements being made in efficiencies, the quality of our customers, the continued investment in equipment and staff and the general economic outlook despite Brexit, the directors expect to see a further year of satisfactory trading results in the coming year.

ON BEHALF OF THE DIRECTORS:

Speedboard Assembly Services Limited (Registered number: 04849220)

Report of the Directors for the Period 1 July 2018 to 31 December 2018

The directors present their report with the financial statements of the company for the period 1 July 2018 to 31 December 2018.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of contract assembly of printed circuit boards and associated final product assembly.

DIVIDENDS

The total distribution of dividends for the period ended 31 December 2018 will be £ 29,000 .

DIRECTORS

Mr N Owen has held office during the whole of the period from 1 July 2018 to the date of this report.

Other changes in directors holding office are as follows:

Mr R K Watson - resigned 31 October 2018

Ms F E E Frykstrand - appointed 31 October 2018

Mr H Nygren - appointed 31 October 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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 period. In preparing these financial statements, the directors are 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the

Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Speedboard Assembly Services Limited (Registered number: 04849220)

Report of the Directors
for the Period 1 July 2018 to 31 December 2018

AUDITORS

The auditors, Wilson Partners Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE DIRECTORS:

Mr N Owen - Director

24 September 2019

Report of the Independent Auditors to the Members of Speedboard Assembly Services Limited

Opinion

We have audited the financial statements of Speedboard Assembly Services Limited (the 'company') for the period ended 31 December 2018 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 company's affairs as at 31 December 2018 and of its profit for the period 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 company 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, 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.

Report of the Independent Auditors to the Members of Speedboard Assembly Services Limited

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 Strategic Report and the Report of the Directors for the financial year for
- which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 Report of the Directors.

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, 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 directors' 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 Statement of Directors' Responsibilities set out on page four, the directors are 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 directors determine 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 directors are 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 directors either intend to liquidate the company or to cease operations, or have 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. This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of
Speedboard Assembly Services Limited**

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.

Philippa Duckworth BSc FCCA (Senior Statutory Auditor)
for and on behalf of Wilson Partners Limited
Chartered Accountants
5a Frascati Way
Maidenhead
Berkshire
SL6 4UY

26 September 2019

Speedboard Assembly Services Limited (Registered number: 04849220)

Income Statement
for the Period 1 July 2018 to 31 December 2018

	Notes	Period 1.7.18 to 31.12.18 £	Year Ended 30.6.18 £
TURNOVER	3	7,561,483	13,479,817
Cost of sales		(5,904,787)	(10,762,728)
GROSS PROFIT		<u>1,656,696</u>	<u>2,717,089</u>
Administrative expenses		(958,897)	(1,449,033)
		<u>697,799</u>	<u>1,268,056</u>
Other operating income		<u>22,165</u>	<u>79,811</u>
OPERATING PROFIT	5	<u>719,964</u>	<u>1,347,867</u>
Interest receivable and similar income		-	4
		<u>719,964</u>	<u>1,347,871</u>
Interest payable and similar expenses	6	(3,866)	(10,278)
PROFIT BEFORE TAXATION		<u>716,098</u>	<u>1,337,593</u>
Tax on profit	7	(144,881)	(319,894)
PROFIT FOR THE FINANCIAL PERIOD		<u><u>571,217</u></u>	<u><u>1,017,699</u></u>

The notes form part of these financial statements

Speedboard Assembly Services Limited (Registered number: 04849220)

Other Comprehensive Income
for the Period 1 July 2018 to 31 December 2018

	Notes	Period 1.7.18 to 31.12.18 £	Year Ended 30.6.18 £
PROFIT FOR THE PERIOD		571,217	1,017,699
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>571,217</u>	<u>1,017,699</u>

The notes form part of these financial statements

Speedboard Assembly Services Limited (Registered number: 04849220)

Balance Sheet
31 December 2018

	Notes	31.12.18 £	30.6.18 £
FIXED ASSETS			
Tangible assets	9	583,324	593,310
CURRENT ASSETS			
Stocks	10	3,447,958	2,013,466
Debtors	11	4,606,123	3,638,923
Cash at bank and in hand		339,227	561,518
		<u>8,393,308</u>	<u>6,213,907</u>
CREDITORS			
Amounts falling due within one year	12	(4,891,261)	(3,273,982)
NET CURRENT ASSETS		<u>3,502,047</u>	<u>2,939,925</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,085,371	3,533,235
CREDITORS			
Amounts falling due after more than one year	13	(19,139)	(33,180)
PROVISIONS FOR LIABILITIES	16	<u>(152,242)</u>	<u>(128,282)</u>
NET ASSETS		<u><u>3,913,990</u></u>	<u><u>3,371,773</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	20,000	20,000
Retained earnings	18	3,893,990	3,351,773
SHAREHOLDERS' FUNDS		<u><u>3,913,990</u></u>	<u><u>3,371,773</u></u>

The financial statements were approved by the Board of Directors on 24 September 2019 and were signed on its behalf by:

Mr N Owen - Director

Mr H Nygren - Director

Speedboard Assembly Services Limited (Registered number: 04849220)

Statement of Changes in Equity
for the Period 1 July 2018 to 31 December 2018

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 2017	20,000	2,500,074	2,520,074
Changes in equity			
Dividends	-	(166,000)	(166,000)
Total comprehensive income	-	1,017,699	1,017,699
Balance at 30 June 2018	<u>20,000</u>	<u>3,351,773</u>	<u>3,371,773</u>
Changes in equity			
Dividends	-	(29,000)	(29,000)
Total comprehensive income	-	571,217	571,217
Balance at 31 December 2018	<u>20,000</u>	<u>3,893,990</u>	<u>3,913,990</u>

Speedboard Assembly Services Limited (Registered number: 04849220)

Cash Flow Statement
for the Period 1 July 2018 to 31 December 2018

	Notes	Period 1.7.18 to 31.12.18 £	Year Ended 30.6.18 £
Cash flows from operating activities			
Cash generated from operations 1		(43,263)	217,602
Interest paid		(2,812)	(7,361)
Interest element of hire purchase payments paid		(1,054)	(2,917)
Tax paid		(54,314)	(179,562)
Net cash from operating activities		<u>(101,443)</u>	<u>27,762</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(78,346)	(156,485)
Sale of tangible fixed assets		-	2,200
Interest received		-	4
Net cash from investing activities		<u>(78,346)</u>	<u>(154,281)</u>
Cash flows from financing activities			
Capital repayments in year		(13,502)	(26,197)
Equity dividends paid		(29,000)	(166,000)
Investment in OEIC		-	48,980
Net cash from financing activities		<u>(42,502)</u>	<u>(143,217)</u>
Decrease in cash and cash equivalents		<u>(222,291)</u>	<u>(269,736)</u>
Cash and cash equivalents at beginning of period	2	561,518	831,254
Cash and cash equivalents at end of period	2	<u>339,227</u>	<u>561,518</u>

The notes form part of these financial statements

Speedboard Assembly Services Limited (Registered number: 04849220)

Notes to the Cash Flow Statement
for the Period 1 July 2018 to 31 December 2018

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	Period 1.7.18 to 31.12.18 £	Year Ended 30.6.18 £
Profit before taxation	716,098	1,337,593
Depreciation charges	88,172	163,103
Loss on disposal of fixed assets	160	5,384
Movement in provisions	25,000	-
Finance costs	3,866	10,278
Finance income	-	(4)
	<u>833,296</u>	<u>1,516,354</u>
(Increase)/decrease in stocks	(1,434,492)	41,089
Increase in trade and other debtors	(967,200)	(543,174)
Increase/(decrease) in trade and other creditors	<u>1,525,133</u>	<u>(796,667)</u>
Cash generated from operations	<u><u>(43,263)</u></u>	<u><u>217,602</u></u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Period ended 31 December 2018

	31.12.18 £	1.7.18 £
Cash and cash equivalents	<u>339,227</u>	<u>561,518</u>

Year ended 30 June 2018

	30.6.18 £	1.7.17 £
Cash and cash equivalents	<u>561,518</u>	<u>831,254</u>

Notes to the Financial Statements
for the Period 1 July 2018 to 31 December 2018

1. STATUTORY INFORMATION

Speedboard Assembly Services 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 Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statement 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, as modified by the use of fair values for certain financial instruments in accordance with the accounting policies set out below.

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

The preparation of the financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies as outlined below.

Speedboard Assembly Services Limited (Registered number: 04849220)

Notes to the Financial Statements - continued
for the Period 1 July 2018 to 31 December 2018

2. ACCOUNTING POLICIES - continued

Significant judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the company's accounting policies:

The company does not make significant judgements in applying the company's accounting policies.

Therefore the presentation of financial statements in accordance with applicable accounting policies includes adequate disclosures.

(b) Key accounting estimates and assumptions:

The company's key source of estimation uncertainty relates to work in progress, and the estimation of the stage of completion and margin percentage of goods.

Tangible fixed assets

Tangible fixed assets, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Stock provision

On an annual basis the company make an assessment of the stock held in excess of existing projects or with no demand in any projects. Based on this a provision will be included within the financial statements to reflect what is unlikely to be used. This varies on an annual basis with the directors required to make an estimate on their potential use.

Warranty provision

The directors include a warranty provision within the financial statements. This is based on an estimate by the directors to cover the cost of potential spend to repair or replace products within their warranty period. The provision is based on an estimate of the return rate and the average cost of rectifying an issue.

Changes in accounting policies

The cost of fixing faulty equipment which is returned is provided for in a warranty provision. The provision is based on an estimate of the return rate and the average cost of rectifying an issue.

Turnover

The turnover shown in the profit and loss account represents amounts receivable during the year for the manufacture and assembly of electronic equipment, exclusive of value added tax. Income is recognised on dispatch of completed goods to the customer. Where the sale relates to a KANBAN agreement the income is recognised at the point the goods have been manufactured and are ready to be called off by the customer. Page 16

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Speedboard Assembly Services Limited (Registered number: 04849220)

Notes to the Financial Statements - continued
for the Period 1 July 2018 to 31 December 2018

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Plant and machinery - 33% on cost, 25% on cost, 20% on cost and 10% on cost

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Stocks and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

Net realisable

value is based on estimated normal selling price less further costs expected to be incurred to

completion and disposal. Provision is made for obsolete, slow moving or defective items where

appropriate. Cost incurred in bringing each product to its present location and condition is based on:

Components: Purchase cost on a first in first out basis.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal

level of activity. Provision is made for any foreseeable losses where appropriate. No element of

profit is included in the valuation of work in progress.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income

Statement, 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 balance sheet date.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed

at the balance sheet 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 period 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 Financial Statements - continued
for the Period 1 July 2018 to 31 December 2018

2. ACCOUNTING POLICIES - continued

Foreign currencies

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

Hire purchase / leasing

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is capitalised in the balance sheet as a tangible fixed asset at its fair value and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

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

Pension costs and other post-retirement benefits

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

Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Other long-term employee benefits are measured at the present value of the benefit obligation at the reporting date.

Notes to the Financial Statements - continued
for the Period 1 July 2018 to 31 December 2018

2. ACCOUNTING POLICIES - continued

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. 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 Group after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not

contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment. With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss. Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

continued...

Notes to the Financial Statements - continued
for the Period 1 July 2018 to 31 December 2018

2. ACCOUNTING POLICIES - continued

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment. In the company balance sheet, investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

(iii) Equity instruments

Equity instruments issued by the company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

Confidential invoice discounting

The company has a confidential invoice discounting facility. The accounting policy is to include trade debtors and the returnable element of the proceeds within current liabilities. Service charges and interest are charged to the profit and loss account when incurred. Bad debts are borne by the company and are charged to the profit and loss account when incurred.

Current asset investments

Current asset investments are valued at market value at the year end.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

Period	
1.7.18	
to	Year Ended
31.12.18	30.6.18

United Kingdom
Europe
Rest of the world

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£	£
5,890,399	12,879,695
87,049	-
1,584,035	600,122
<u>7,561,483</u>	<u>13,479,817</u>
<u>continued...</u>	

Speedboard Assembly Services Limited (Registered number: 04849220)

Notes to the Financial Statements - continued
for the Period 1 July 2018 to 31 December 2018

4. EMPLOYEES AND DIRECTORS

	Period 1.7.18 to 31.12.18 £	Year Ended 30.6.18 £
Wages and salaries	1,163,344	2,202,786
Social security costs	110,267	187,721
Other pension costs	27,932	24,063
	<u>1,301,543</u>	<u>2,414,570</u>

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

	Period 1.7.18 to 31.12.18	Year Ended 30.6.18
Production	95	95
Administrative	3	4
Management	3	5
	<u>101</u>	<u>104</u>

There were no pension liabilities outstanding at the year end.

	Period 1.7.18 to 31.12.18 £	Year Ended 30.6.18 £
Directors' remuneration	<u>46,333</u>	<u>49,777</u>

Speedboard Assembly Services Limited (Registered number: 04849220)

Notes to the Financial Statements - continued
for the Period 1 July 2018 to 31 December 2018

5. OPERATING PROFIT

The operating profit is stated after charging:

	Period 1.7.18 to 31.12.18 £	Year Ended 30.6.18 £
Other operating leases	96,035	195,968
Depreciation - owned assets	79,334	145,427
Depreciation - assets on hire purchase contracts	8,838	17,676
Loss on disposal of fixed assets	160	5,384
Auditors' remuneration	5,650	9,915
Foreign exchange differences	<u>8,865</u>	<u>10,809</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	Period 1.7.18 to 31.12.18 £	Year Ended 30.6.18 £
CID interest	2,812	7,361
Lease interest	<u>1,054</u>	<u>2,917</u>
	<u>3,866</u>	<u>10,278</u>

7. TAXATION

Analysis of the tax charge

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

	Period 1.7.18 to 31.12.18 £	Year Ended 30.6.18 £
Current tax: UK corporation tax	145,921	320,378
Deferred Tax	<u>(1,040)</u>	<u>(484)</u>
Tax on profit	<u>144,881</u>	<u>319,894</u>

Notes to the Financial Statements - continued
for the Period 1 July 2018 to 31 December 2018

7. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	Period 1.7.18 to 31.12.18 £	Year Ended 30.6.18 £
Profit before tax	<u>716,098</u>	<u>1,337,593</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	136,059	254,143
Effects of:		
Expenses not deductible for tax purposes	14,690	66,481
Capital allowances in excess of depreciation	-	(246)
Depreciation in excess of capital allowances	1,040	-
Deferred Tax	(1,040)	(484)
Group relief	(5,868)	-
Total tax charge	<u>144,881</u>	<u>319,894</u>

8. DIVIDENDS

	Period 1.7.18 to 31.12.18 £	Year Ended 30.6.18 £
Ordinary 'A' shares of £1 each Interim	1,500	46,500
Ordinary 'B' shares of £1 each Interim	15,000	64,500
Ordinary 'C' shares of £1 each Interim	<u>12,500</u>	<u>55,000</u>
	<u>29,000</u>	<u>166,000</u>

Notes to the Financial Statements - continued
for the Period 1 July 2018 to 31 December 2018

9. TANGIBLE FIXED ASSETS

	Plant and machinery £
COST	
At 1 July 2018	1,911,355
Additions	78,346
Disposals	(997)
At 31 December 2018	<u>1,988,704</u>
DEPRECIATION	
At 1 July 2018	1,318,045
Charge for period	88,172
Eliminated on disposal	(837)
At 31 December 2018	<u>1,405,380</u>
NET BOOK VALUE	
At 31 December 2018	<u>583,324</u>
At 30 June 2018	<u>593,310</u>

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

	Plant and machinery £
COST	
At 1 July 2018 and 31 December 2018	<u>144,864</u>
DEPRECIATION	
At 1 July 2018	53,028
Charge for period	8,838
At 31 December 2018	<u>61,866</u>
NET BOOK VALUE	
At 31 December 2018	<u>82,998</u>
At 30 June 2018	<u>91,836</u>

Speedboard Assembly Services Limited (Registered number: 04849220)

Notes to the Financial Statements - continued
for the Period 1 July 2018 to 31 December 2018

10. **STOCKS**

	31.12.18	30.6.18
	£	£
Components	1,326,619	679,421
Work in progress	<u>2,121,339</u>	<u>1,334,045</u>
	<u><u>3,447,958</u></u>	<u><u>2,013,466</u></u>

11. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.18	30.6.18
	£	£
Trade debtors	2,963,168	2,016,851
Other debtors	251,521	324,609
Prepayments and accrued income	<u>1,391,434</u>	<u>1,297,463</u>
	<u><u>4,606,123</u></u>	<u><u>3,638,923</u></u>

12. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.18	30.6.18
	£	£
Hire purchase contracts (see note 14)	27,812	27,273
Trade creditors	2,762,408	1,900,275
Corporation Tax	411,985	320,378
Social security and other taxes	87,335	46,188
VAT	6,224	304,244
Other creditors	1,398,442	224,037
Accruals & deferred income	<u>197,055</u>	<u>451,587</u>
	<u><u>4,891,261</u></u>	<u><u>3,273,982</u></u>

13. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.12.18	30.6.18
	£	£
Hire purchase contracts (see note 14)	<u>19,139</u>	<u>33,180</u>

Notes to the Financial Statements - continued
for the Period 1 July 2018 to 31 December 2018

14. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	31.12.18	30.6.18
	£	£
Net obligations repayable:		
Within one year	27,812	27,273
Between one and five years	19,139	33,180
	<u>46,951</u>	<u>60,453</u>
	Non-cancellable operating leases	
	31.12.18	30.6.18
	£	£
Within one year	195,304	195,304
Between one and five years	16,275	113,927
	<u>211,579</u>	<u>309,231</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.18	30.6.18
	£	£
Hire purchase contracts	46,951	60,453
Invoice discounting	1,029,492	-
	<u>1,076,443</u>	<u>60,453</u>

Amounts due in respect of invoice financing are secured by a fixed charge over all book debts.

Assets acquired under hire purchase have liabilities secured on those assets.

16. PROVISIONS FOR LIABILITIES

	31.12.18	30.6.18
	£	£
Deferred tax		
Provision for Deferred Tax	102,242	103,282
Warranty provision	50,000	25,000
	<u>152,242</u>	<u>128,282</u>

Speedboard Assembly Services Limited (Registered number: 04849220)

Notes to the Financial Statements - continued
for the Period 1 July 2018 to 31 December 2018

16. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £	Warranty provision £
Balance at 1 July 2018	103,282	25,000
Provided during period	(1,040)	25,000
Balance at 31 December 2018	<u>102,242</u>	<u>50,000</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.18 £	30.6.18 £
6,000	Ordinary 'A'	£1	6,000	6,000
4,000	Ordinary 'B'	£1	4,000	4,000
10,000	Ordinary 'C'	£1	<u>10,000</u>	<u>10,000</u>
			<u>20,000</u>	<u>20,000</u>

The A, B and C shares rank pari passu in all respects.

18. RESERVES

	Retained earnings £
At 1 July 2018	3,351,773
Profit for the period	571,217
Dividends	<u>(29,000)</u>
At 31 December 2018	<u>3,893,990</u>

19. ULTIMATE PARENT COMPANY

Note Ab (Publ) (incorporated in Sweden) is regarded by the directors as being the company's ultimate parent company.

On 31 October 2018 the company was sold and as a result Note Ab (Publ) are the new ultimate controlling party. As a result the year end was changed to the 31 December 2018 to bring the reporting dates inline.

20. RELATED PARTY DISCLOSURES

During the period, a total of key management personnel compensation of £ 32,568 (2018 - £ 32,564) was paid.

Notes to the Financial Statements - continued
for the Period 1 July 2018 to 31 December 2018

21. ULTIMATE CONTROLLING PARTY

The controlling party is Note Uk Limited.

The ultimate controlling party is Note Ab (Publ).