

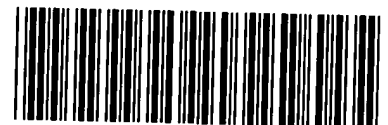
# FFEI Limited

Registered No: 3244452

## Report and Financial Statements

31 March 2019

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COMPANIES HOUSE

**Directors**

A Cook  
J Payne  
R Wilson

**Secretary**

J Payne

**Auditors**

Ernst & Young LLP  
400 Capability Green  
Luton  
Bedfordshire LU1 3LU

**Bankers**

Barclays Bank PLC  
Blenheim Gate  
22-24 Upper Marlborough Road  
St Albans  
Hertfordshire AL1 3AL

**Solicitors**

Taylor Walton  
28-44 Alma Street  
Luton  
Bedfordshire LU1 2PL

**Registered Office**

The Cube  
Maylands Avenue  
Hemel Hempstead  
Hertfordshire HP2 7DF  
United Kingdom

## Strategic report

The directors present their Strategic report for the year ended 31 March 2019.

### Business Review

Revenues have increased 26% year on year to £12,041,000 (2018: £9,552,000). Revenues include income from strategic partners for development funding.

This increase in revenues was primarily due to growth in the Digital Pathology sector following a product launch in March 2018.

Overall gross profit has remained at 24% for the year (2018: 24%), and operating costs have remained constant year on year.

As a result of these changes the Company has reported an Operating Profit of £145,000 (2018: Operating Loss £407,000).

The Company has developed its business model in recent years which is to engage with world leading organisations that wish to bring new products to market. These partnerships allow the Company to offer its digital imaging technology and productisation capability to organisations that have extensive market knowledge and reach.

The Company has several partnerships in place with organisations that primarily serve the Labels and Packaging printing sector and the Digital Pathology sector. The Company operates to formal product development processes to achieve product quality, cost and delivery targets.

### Future developments

The Company recognises that successfully integrating digital imaging technology into a commercially viable solution requires an extensive range of expertise, IP and resources. Consequently, the barriers to entry can often be too high for many businesses wishing to exploit the benefits of digital imaging across a variety of sectors. FFEI has the portfolio of technology and experience to not only help design digital imaging solutions but also develop them into products, manufacture and support them.

### Principal risks and uncertainties

The Company's principal risks and uncertainties relate to the facts that the Company is involved with developing technology-based products. Whilst the full likelihood of success can be difficult to assess, the Company manages this risk through its strategic partnerships and the targeting of growth market sectors.

The Company also maintains a strong capital base to ensure the effects of any downturn in the market or increased timescales for product traction on the market can be accommodated.

Whilst subject to credit risk the customer base is predominantly blue chip and careful credit management is maintained.

By order of the Board



Julian Payne  
Secretary

17 July 2019

## Directors' report

The directors present their report for the year ended 31 March 2019.

### Results and dividends

FFEI made a profit for the year, after taxation, of £446,000 (2018: loss of £347,000). The directors are not paying a dividend (2018: £nil).

### Directors

The directors who served the Company during the year were as follows:

A Cook  
J Payne  
R Wilson

### Directors' qualifying third party indemnity provisions

The Company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying indemnity provisions remain in place as at the date of approving the directors' report.

### Employee involvement

The Company has a policy of providing information about the Company by regular meetings between management and the elected employee representatives. Employees are encouraged to present their suggestions and views on the Company's performance through their elected representatives.

### Disabled employees

The Company's policy and practice is to encourage and assist the employment of disabled people, their recruitment, training, career development and promotion and the retention of employees who become disabled. The operation of this policy is reviewed regularly.

### Research and development

The Company is strongly committed to investing in the design and development of its future products. We have formed good working relations with several take to market partners enabling us to develop some exciting products in both the digital print & pathology market.

### Going concern

The Company's business activities, together with factors likely to affect its future performance, and its financial position, are discussed above.

The Company has strong financial resources and well-established relationships and with a wide network of customers and suppliers in all relevant geographies. The directors have always maintained a strong cash balance, with no external debt, which has enabled the Company to deal with the challenging market conditions without funding issues. As a consequence, the directors believe that the Company is well placed to successfully manage its business risks and meet liabilities as they fall due.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis for preparing the annual report and financial statements.

## Directors report (continued)

### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board



Julian Payne  
Secretary  
17 July 2019

## Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report 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) including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 proper 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.

# Independent auditor's report

to the members of FFEI Limited

## Opinion

We have audited the financial statements of FFEI Limited for the year ended 31 March 2019 which comprise the Statement of comprehensive income, the Statement of changes in equity, the Statement of financial position and the related notes 1 to 15, 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 FRS 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 company's affairs as at 31 March 2019 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 below. 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

# Independent auditor's report

to the members of FFEI 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' 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 directors' 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 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 directors' responsibilities statement set out on page 6, 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 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 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.

## 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 <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# Independent auditor's report

to the members of FFEI 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 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



Juliet Thomas (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Luton

18th July 2019

## Statement of comprehensive income

for the year ended 31 March 2019

	<i>Notes</i>	<i>2019</i> <i>£000</i>	<i>2018</i> <i>£000</i>
<b>Turnover</b>	2	12,041	9,552
Cost of sales		<u>(9,178)</u>	<u>(7,247)</u>
<b>Gross profit</b>		2,863	2,305
Distribution costs		(77)	(67)
Administrative costs		<u>(2,641)</u>	<u>(2,645)</u>
<b>Operating profit</b>	3	145	(407)
Interest receivable and similar income		<u>-</u>	<u>-</u>
<b>Profit before taxation</b>		145	(407)
Tax on profit	6	<u>301</u>	<u>60</u>
<b>Profit for the financial year</b>		446	(347)
Other comprehensive income		-	-
<b>Total comprehensive profit for the year</b>		<u>446</u>	<u>(347)</u>

All amounts relate to continuing activities.

## Statement of changes in equity

for the year ended 31 March 2019

	<i>Share capital</i> £000	<i>Retained earnings</i> £000	<i>Total</i> £000
At 1 April 2017	100	3,303	3,403
Loss for the year	-	(347)	(347)
At 31 March 2018	100	2,956	3,056
Profit for the year	-	446	446
At 31 March 2019	100	3,402	3,502

## Statement of financial position

at 31 March 2019

	Notes	2019 £000	2018 £000
<b>Fixed assets</b>			
Tangible assets	7	<u>265</u>	<u>441</u>
<b>Current assets</b>			
Stocks	8	1,541	2,285
Debtors	9	2,546	3,620
Cash at bank and in hand		<u>1,894</u>	<u>979</u>
		5,981	6,884
<b>Creditors: amounts falling due within one year</b>	10	<u>(2,596)</u>	<u>(4,116)</u>
<b>Net current assets</b>		<u>3,385</u>	<u>2,768</u>
<b>Total assets less current liabilities</b>		3,650	3,209
<b>Provisions for liabilities</b>	11	<u>(148)</u>	<u>(153)</u>
<b>Net assets</b>		<u>3,502</u>	<u>3,056</u>
<b>Capital and reserves</b>			
Called up share capital	12	100	100
Profit and loss account		<u>3,402</u>	<u>2,956</u>
<b>Shareholders' funds</b>		<u>3,502</u>	<u>3,056</u>

The financial statements have been approved by the board of Directors on 17 July 2019 and signed on its behalf by:



A. Cook  
Director

## Notes to the financial statements

at 31 March 2019

### 1. Accounting policies

#### *Statement of compliance*

FFEI Limited is a limited company incorporated in England. The Registered Office is The Cube, Maylands Avenue, Hemel Hempstead, Hertfordshire, HP2 7DF.

The financial statements have been prepared in compliance with FRS102 as it applies to the financial statements for the year ended 31 March 2019.

#### *Basis of preparation and change in accounting policy*

The financial statements are prepared in accordance with applicable accounting standards and under the historical cost convention. The financial statements are prepared in sterling which is the functional currency and rounded to the nearest £'000.

#### *Exemptions for qualifying entities under FRS 102*

FRS 102 allows a qualifying entity certain disclosure exemption. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. FFEI Limited is a qualifying entity as its results are consolidated into the financial statements of FFEI Holdings Limited (Limited company incorporated in England, registration number 05896705, the registered office is The Cube, Maylands Avenue, Hemel Hempstead, Hertfordshire, HP2 7DF) which are publicly available.

As a qualifying entity, the company has taken advantage of the following exemptions:

- i) from preparing a statement of cashflows, on the basis that it is a qualifying entity and the consolidated statement of cashflows, included in these financial statements, includes the company's cashflows;
- ii) from disclosing the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures where relevant;
- iii) from disclosing the company's key management personnel compensation, as required by FRS 102 paragraph 33.7.

#### *Judgements and key sources of estimation uncertainty*

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities, revenue and expenses. However, the nature of estimation means that the actual outcomes may differ from these estimates. The key assumptions and sources of estimation uncertainty arise from the following: impairment of assets and exposure to warranty costs. The company holds significant levels of stock and management make judgements about the net realisable value of this stock, thereby identifying the need for impairment provisions. Impairment may arise from reductions in selling prices below cost or obsolescence. The company sells manufactured goods which have warranties on those good sold. The exposure to warranty costs is assessed by reference to experience and expectations, and provisions are made accordingly.

## Notes to the financial statements

at 31 March 2019

### 1. Accounting policies (continued)

#### *Turnover*

Turnover represents sales to external customers at invoiced amounts less VAT or local taxes on sales. Revenue is recognised when the risks and rewards relating to the products has passed to the customer which is generally when the goods are despatched depending on agreed terms of sale. Service revenue is recognised over the period in which the service is provided. Consulting, or funded research and development project revenue, is recognised on achievement of agreed milestones.

#### *Tangible fixed assets*

Tangible fixed asset additions are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and equipment	–	3-7 years
Fixtures and fittings	–	up to 10 years

The carrying values of tangible fixed assets are reviewed for impairments in the period if events or changes in circumstances indicate the carrying value may not be recoverable.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, using a standard costing system.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

#### *Deferred taxation*

Deferred taxation is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, with the following exception:

- 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.

#### *Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into sterling at the rate of exchange ruling at the balance sheet date.

All differences are taken to the Statement of comprehensive income.

## Notes to the financial statements

at 31 March 2019

### 1. Accounting policies (continued)

#### *Research and development*

Expenditure on research and development is expensed as incurred except for fixed assets which are capitalised in the normal way. Costs related to consulting or funded research and development is expensed in line with the revenue recognised and recorded within cost of sales. Qualifying costs incurred on consulting activities and research and development entitle the company to a payment from HM Revenue and Customs. This payment, which has the nature of a government grant, is credited to other administration costs so as to match the expenditure to which it relates.

#### *Leasing and hire purchase commitments*

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts capitalised in the balance sheet are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged to the Statement of comprehensive income over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

#### *Pensions*

The company operates a defined contribution pension scheme. Contributions to the scheme are charged in the Statement of comprehensive income on an accruals basis reflecting the terms of that scheme.

### 2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to customers, or in the case of consulting or research and development services, the provision of the service.

Turnover principally arises through the sale of electronic imaging equipment and software to the Graphic Arts market and Digital Pathology, as well as consulting and research and development services.

An analysis of turnover by geographical market is given below:

	2019 £000	2018 £000
United Kingdom	1,161	331
Continental Europe	5,281	4,322
Rest of the World	5,599	4,899
	<u>12,041</u>	<u>9,552</u>

Turnover is analysed by activity as follows:

	2019 £000	2018 £000
Sales of manufactured goods	9,210	6,773
Consulting, funded research and development service income	2,831	2,779
	<u>12,041</u>	<u>9,552</u>

## Notes to the financial statements

at 31 March 2019

### 3. Operating loss

This is stated after charging/(crediting):

	<i>2019</i>	<i>2018</i>
	<i>£000</i>	<i>£000</i>
Auditors' remuneration – audit fees	27	29
– non-audit fees	11	12
Depreciation of owned fixed assets	297	349
Operating lease rentals – land and buildings	350	250
Research and development - unfunded	452	180
Research and development tax credit	(158)	(196)
Loss on currency translation	9	11
	<u>9</u>	<u>11</u>

Other operating income represents the research and development tax credit.

There is no lease commitment in relation to the operating lease rental as it is payable to the parent company.

### 4. Directors' remuneration

The directors are remunerated through the parent company, FFEI Holdings Limited, and their remuneration is disclosed in the group accounts.

The directors are all members of individual money purchase pension schemes.

### 5. Staff costs

	<i>2019</i>	<i>2018</i>
	<i>£000</i>	<i>£000</i>
Wages and salaries	2,728	2,625
Social security costs	286	267
Other pension costs	249	240
	<u>3,263</u>	<u>3,132</u>

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

	<i>No.</i>	<i>No.</i>
Administration	47	47
Manufacturing	26	27
	<u>73</u>	<u>74</u>

## Notes to the financial statements

at 31 March 2019

### 6. Tax

(a) Tax on loss

The tax credit is made up as follows:

	2019	2018
	£000	£000
<b>Current tax:</b>		
UK corporation tax on profit for the year	(151)	(60)
Under provision in prior years	(150)	-
Total credit on loss for the year (note 7(b))	<u>(301)</u>	<u>(60)</u>

(b) The credit for the year can be reconciled to the loss per the income statement as follows:

	2019	2018
	£000	£000
Profit before tax	<u>145</u>	<u>(407)</u>
Loss before tax multiplied by standard rate of corporation tax in the UK of 19% (2018 – 19%)	28	(77)
<i>Effects of:</i>		
Movement on unprovided deferred tax	(156)	19
Expenses not deductible for tax purposes	26	24
Research & development tax credit	(65)	(26)
Effects of group reliefs/other reliefs	16	-
Adjustment in respect of previous periods	(150)	-
Tax credit for the year (note 7(a))	<u>(301)</u>	<u>(60)</u>

## Notes to the financial statements

at 31 March 2019

### 6. Tax (continued)

(c) Deferred taxation:

	<i>2019</i>	<i>2018</i>
	<i>£000</i>	<i>£000</i>
The potential deferred tax asset, which is not provided for is:		
Fixed assets	1,219	1,466
Other timing differences (including pension contribution)	24	23
Losses	7,832	7,832
	<u>9,075</u>	<u>9,321</u>

The deferred tax asset arising has not been recognised as there is no assurance that there will be suitable future taxable profits from which the future reversal of the underlying timing differences can be deducted.

(d) Factors affecting future tax charges:

At 31 March 2019 the company has tax losses of £46,070,000 (2018–£46,070,000) carried forward. These losses are available for offset against future trading profits of the company. A deferred tax asset has not been recognised in respect of the losses as it is uncertain if sufficient taxable profits will be generated in the future.

The standard rate of Corporation Tax in the UK was reduced to 19% with effect from April 2017. Accordingly, there is an effective rate of 19% for this accounting period. The rate will reduce further to 17% from April 2020. The rate of 17% has been used to calculate the current year deferred tax asset disclosed in 7(c) above.

## Notes to the financial statements

at 31 March 2019

### 7. Tangible fixed assets

	<i>Plant and equipment</i>	<i>Fixtures and fittings</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Cost:			
At 1 April 2018	7,208	291	7,499
Additions	116	5	121
At 31 March 2019	<u>7,324</u>	<u>296</u>	<u>7,620</u>
Depreciation:			
At 1 April 2018	6,772	286	7,058
Provided during the year	293	4	297
At 31 March 2019	<u>7,065</u>	<u>290</u>	<u>7,355</u>
Net book value:			
At 31 March 2019	<u>259</u>	<u>6</u>	<u>265</u>
At 1 April 2018	<u>436</u>	<u>5</u>	<u>441</u>

### 8. Stocks

	<i>2019</i>	<i>2018</i>
	<i>£000</i>	<i>£000</i>
Raw materials and consumables	1,429	2,015
Finished goods and goods for resale	112	270
	<u>1,541</u>	<u>2,285</u>

The difference between purchase price or production cost of inventories and their replacement cost is not material.

Inventories recognised as an expense in the period were £6,695,000 (2018: £5,303,000). Impairment losses recognised in the period were £32,000 (2018: £50,000).

### 9. Debtors

	<i>2019</i>	<i>2018</i>
	<i>£000</i>	<i>£000</i>
Trade debtors	1,559	2,260
Amounts owed by parent undertaking	500	500
Other debtors	8	148
Prepayments and accrued income	170	456
Corporation tax debtor	309	256
	<u>2,546</u>	<u>3,620</u>

## Notes to the financial statements

at 31 March 2019

### 10. Creditors: amounts falling due within one year

	2019	2018
	£000	£000
Trade creditors	1,940	2,107
Other taxes and social security costs	4	4
Accruals	402	381
Deferred income	250	1,624
	<u>2,596</u>	<u>4,116</u>

### 11. Provisions for liabilities

	2019	2018
	£000	£000
At 1 April 2018	153	176
Charge for the year	55	58
Utilised during the year	(60)	(81)
At 31 March 2019	<u>148</u>	<u>153</u>

#### **Warranty**

As is the case with most manufacturing businesses, the company has on-going warranty obligations for the products that it sells. Such costs are generally incurred within one to five years post-delivery. At the end of the year, the company had a provision of £148,000 in respect of these (2018– £153,000).

### 12. Issued share capital

<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>2019</i>	<i>No.</i>	<i>2018</i>
		£000		£000
Ordinary shares of £1 each	100,000	<u>100</u>	100,000	<u>100</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

The company has granted total options of 1,500 Ordinary A shares of £1 each to certain employees. These shares can be exercised no later than 10 years from this date at £25 per share, in the event of a sale, demerger or voluntary winding up of the company. The Ordinary A shares have no voting, dividend or redemption rights. The share options are considered to have zero fair value and therefore no associated charge has been recorded. In the event of winding up the company the Ordinary A shares shall be entitled to participate in any surplus assets available to the shareholders.

### 13. Pensions

The company operates a defined contribution scheme. The assets of this scheme are held separately from those of the company in independently administered funds. The company's contribution to this scheme during the year was £249,000 (2018 – £240,000). There are £44,000 contributions outstanding at the year-end relating to this scheme (2018 – £38,000).

## Notes to the financial statements

at 31 March 2019

### 14. Related party transactions

100% of the company's voting rights are controlled by FFEI Holdings Limited, which publishes group financial statements. Therefore, in accordance with section 33.1 A of FRS 102 'Related Party Disclosures', details have not been included of transactions with the parent company.

### 15. Ultimate parent undertaking and controlling party

The company's immediate and ultimate parent undertaking and controlling party is FFEI Holdings Limited.

FFEI Holdings Limited is the smallest and largest group of companies of which FFEI Limited is a member for which group financial statements are prepared.

Group financial statements of FFEI Holdings Limited are available from The Cube, Maylands Avenue, Hemel Hempstead, Hertfordshire, HP2 7DF.