



Mutual Societies Annual Return Form (AR30)

For societies registered under the Co-operative and Community Benefit Societies Act 2014

Society name:

Delta-T Devices Limited

Important information you should read before completing this form

You must use this form if you are a:

- registered society (previously referred to as an 'industrial and provident society')
- co-operative society
- community benefit society

registered under the Co-operative and Community Benefit Societies Act 2014.

You must submit this form and the society's accounts within 7 months of the end of your financial year. Failure to submit is an offence for which the society may be prosecuted.

Please note:

- we have an information note that may assist you in completing this application
- any personal details you give on the form will be placed on the society's public file.
- it is important you give accurate and complete information and disclose all relevant information. If you do not, it may take us longer to process your annual return.

Please keep a copy of the form and supporting documents for future reference.

Terms in this form

'FCA', 'PRA', 'us' and 'we' refer to the Financial Conduct Authority or Prudential Regulation Authority.

'You' refers to the person signing the form on behalf of the society.

'The 2014 Act' is the Co-operative and Community Benefit Societies Act 2014



Mutual Societies Annual Return Form (AR30)

For societies registered under the Co-operative and Community Benefit Societies Act 2014

Filling in the form

1 If you are using your computer to complete the form:

- use the TAB key to move from question to question and press SHIFT TAB to move back to the previous question; and
- print the completed form and arrange for it to be signed by all relevant individuals.

2 If you are filling in the form by hand:

- use black ink;
- write clearly; and
- arrange for it to be signed and dated by all relevant individuals.

3 If you make a mistake, cross it out and initial the changes; do not use correction fluid.

4 If you:

- leave a question blank;
- do not get the form signed; or
- do not attach the required supporting information

without telling us why, we will treat the application as incomplete. This will increase the time taken to assess your application.

5 If there is not enough space on the form, you may use separate sheets of paper. Clearly mark each separate sheet of paper with the relevant question number. Any separate sheets should be signed by the signatories to the form.

6 Email a scanned copy of the signed form and supporting documents to

mutualsannrts@fca.org.uk

or send it by post to:

Mutuals Team
Financial Conduct Authority
25 The North Colonnade
Canary Wharf
LONDON
E14 5HS

7. Please make sure you include:

- this form
- a set of printed accounts – signed by two members and the secretary (3 signatures in total)
- an audit report or accountant's report where required; and
- any supporting documents.

1

Details of society

1.1 Details of the society

Register number	22804R
Registered office address	130 Low Road Burwell Cambridgeshire
Postcode	CB25 0EJ

1.2 Year end date (dd/mm/yyyy)

See Note 1.2

3	1	/	1	2	/	2	0	1	4
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Committee of management

If you are a club you do not need to give a year of birth in questions 1.3-1.6.

The names of the members of the Committee at the date on which the return is signed should be entered below in BLOCK CAPITALS.

1.3 Details of Chairman

Name	Mr Christopher Nicholl
Address	16 North Street, Burwell Cambridgeshire
Postcode	CB25 0BA
Year of birth	1951
Business occupation and other directorships	Head of Marketing, Director: The Prospects Trust

1.4 Details of Treasurer

Name	Mr Edmund Potter
Address	17a Low Road, Burwell Cambridgeshire
Postcode	CB25 0EJ
Year of birth	1942
Business occupation and other directorships	Founder & Technical Support Engineer

1.5 Details of Secretary

Name	Dr Martin Goodchild
Address	6 Great Lane Reach Cambridge
Postcode	CB25 0JF
Year of birth	1963
Business occupation and other directorships	Principal Electronics Engineer

1.6 Details of Members of the Committee

Name	Address	Year of birth	Business occupation and other directorships
Christopher Nicholl	16 North Street Burwell Cambridgeshire CB25 0BA	1951	Head of Marketing Director: The Prospects Trust
Michael Soames	11 New Road Impington Cambridge CB24 9LU	1975	Administration Co-ordinator
Karl Kühn	9 Chelmer Way Ely Cambridgeshire CB6 2WS	1980	Principal Software Engineer Director: Fluidcore Technologies cc (South Africa)
John Newstead	24 The Vineyard Ely Cambs CB7 4QG	1970	Soil Scientist and Technical Sales Engineer

Please use separate sheets of paper if you need more space, following the instructions provided in section 5 above.

Please indicate how many separate sheets of paper you have used

0

Please continue, answering all questions.

1.7 Are any members of the society's committee disqualified as directors under the Company Director Disqualification Act 1986?

- ☒ No
☐ Yes

1.8 Does the society carry out any activity which is regulated under the Financial Services and Markets Act 2000? (e.g. accepting deposits in a form other than withdrawable shares; offering insurance products; undertaking residential mortgage business). If 'yes' please state the society's Financial Services Register firm reference number

- ☒ No
☐ Yes

Financial Services Register firm reference number

1.9 Is the society a subsidiary of another society?

- ☒ No
☐ Yes

1.10 Does the society have one or more subsidiaries?

- ☒ No
☐ Yes

1.11 Is the society currently accepted by the HM Revenue and Customs as a charity for tax purposes?

- ☒ No
☐ Yes

Please confirm you have attached a copy of the letter from HM Revenue and Customs confirming charitable tax status:

- ☐ Yes

1.12 Is this society a charity registered with the Office of the Scottish Charity Regulator (OSCR)?

- ☒ No
☐ Yes ▶ provide your Scottish Charity number below

1.13 Is the society registered with one of the following (please tick)?

- ☐ Homes and Communities Agency
☐ The Welsh Ministers
☐ Scottish Housing Regulator

If so, please provide your register number

All societies must answer the following questions:

- if a **bona fide co-operative society** go to question 1.14
- if **existing for the benefit of the community** go to question 1.19

Bona fide co-operative society

1.14 How did members benefit from the business, industry or trade of the society during the year?

Delta-T is a worker co-operative where employees are also shareholders/members and owners of the business.
Members share in the control and success of the business by following co-operative principals.
Distributions of surplus profits may be made to members if appropriate.

1.15 Is membership of the society required to obtain the benefits offered by it?

- ☒ Yes
☐ No

1.16 In what way did members participate in an ongoing basis in the society's primary business during the year?

Delta-T is a worker co-operative where employees are also shareholders/members and owners of the business. Members, as employees, perform all the functions required in the business to make it a succesful venture.

1.17 How did members democratically control the society?

Each member has one share of £1 and is entitled to one vote in democratic control of the business.

1.18 How did the society use any surplus/profit?

If the society distributed the surplus/profit to members please explain how this was done.

Profits of the business, in excess of those retained for ongoing support of Delta-T, can be distributed to charitable organisations and members.

If distributions are made they are evenly split between members according to shareholding - each member has one share of £1.

Please use separate sheets of paper if you need more space (see section 5 above)

Please indicate how many separate sheets of paper you have used.

0

Continue to 2.1

Community benefit society

1.19 Who are the community the society benefited?

--

1.20 How did the society benefit that community during the year?

--

1.21 How did the society use any surplus/profit?

--

Please use separate sheets of paper if you need more space (see section 5 above).

Please indicate how many separate sheets of paper you have used.

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Continue to 2.1

2 Statistics

Account details

2.1 You must enter the figures below

See notes for help on items E-T. Enter NIL where applicable

A	Members at beginning of year	37
B	Members ceased during year	1
C	Members admitted during year	1
D	Members at end of year	37
E	Turnover for year	3,539,312
F	Total of income and expenditure (receipts and payments added together)	N/A
G	Net surplus/(deficit) for year	151,503
H	Fixed assets	374,999
I	Current assets	1,623,914
J	Total assets (equal to amount in row O, below)	1,998,913
K	Current liabilities	298,219
L	Share capital	85
M	Long-term liabilities	12,868
N	Reserves	1,687,741
O	Total liabilities, share capital & reserves (K+L+M+N) (equal to amount in J above)	1,998,913

All societies (excluding clubs) must complete boxes P-T

P	Investments in other registered societies	20
Q	Loans from members	0
R	Loans from Employees' Superannuation Schemes	0
S	Dividends on sales	0
T	Share interest	0

2.2 Names of subsidiaries as defined in sections 100 and 101 of the Co-operative and Community Benefit Societies Act 2014

None

2.3 Names of subsidiaries not dealt with in group accounts (if any) and reasons for exclusions (as approved by the FCA)

The society must have written authority from us to exclude a subsidiary from group accounts

None

3

The audit

3.1 Type of audit used for the attached accounts.

If the society has used a full professional audit or an accountant's report then the report must be prepared by a registered auditor.

- ☒ Full professional audit ▶ Continue to section 4
- ☐ Accountant's report ▶ Complete questions 3.2 and 3.3
- ☐ Lay audit ▶ Complete questions 3.2 and 3.3
- ☐ Unaudited ▶ Complete questions 3.2 and 3.3

3.2 Do the society's registered rules allow the society not to undertake a full professional audit?

- ☐ No
- ☐ Yes

3.3 Has the membership passed at a general meeting a resolution allowing the society not to undertake a full professional audit for the year of account in question? (In accordance with section 84 of the Co-operative and Community Benefit Societies Act 2014)

- ☐ No
- ☐ Yes

4

Accounts and signature

Accounts

- 4.1 Date on which the accounts and balance sheet will be/were laid before the AGM (dd/mm/yyyy)

1	5	/	0	5	/	2	0	1	5
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- 4.2 Has your society produced accounts to the minimum standard required?

☒ Yes ▶ you must confirm that you have attached the accounts and the audit/accountant's report bearing the original signatures of the auditor (if required by law), the secretary and the two committee members. ☒ Attached

☐ No ▶ you must produce accounts to the minimum standard required, see notes for details.

Signature – all societies to complete

- 4.3 The Secretary of the society must sign and date below

I certify that the information in this form is correct to the best of my knowledge and belief.

Name	Martin Goodchild
Signature	
Phone number	01638 742922
Email	martin.goodchild@delta-t.co.uk
Date	26 June 2015

To fca

Society Registration No. 22804R

DELTA-T DEVICES LIMITED

Financial Statements

31 December 2014

DELTA-T DEVICES LIMITED

FINANCIAL STATEMENTS 2014

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DELTA-T DEVICES LIMITED

STATEMENT OF THE COMMITTEE OF MANAGEMENT RESPONSIBILITIES

The Committee of Management is responsible for preparing the financial statements in accordance with applicable law and regulations.

Industrial and Provident Societies law requires the Committee of Management to prepare such financial statements for each financial year. Under that law the Committee of Management has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the society and of the profit or loss of the society for that period. In preparing those financial statements, the Committee of Management is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 society will continue in business.

The Committee of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the society and to enable it to ensure that the financial statements comply with the The Co-operative and Community Benefit Societies Act 2014. It is also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

In the case of each of the persons who is a member of the Committee of Management at the date when this report is approved:

- so far as each member of the Committee of Management is aware, there is no relevant audit information (as defined in the The Co-operative and Community Benefit Societies Act 2014 of which the society's auditor is unaware; and
- each of the members of the Committee of Management has taken all the steps that it ought to have taken as the Committee of Management to make itself aware of any relevant audit information and to establish that the society's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of the The Co-operative and Community Benefit Societies Act 2014.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DELTA-T DEVICES LIMITED

We have audited the financial statements of Delta-T Devices Limited for the year ended 31 December 2014 which comprise the income and expenditure account, the balance sheet, the reconciliation of movements in members' funds, the note of historical cost surpluses and deficits and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the society's members, as a body, in accordance with The Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society'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 society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the committee of management and auditor

As explained more fully in the Statement of the Committee of Management's Responsibilities, the committee of management is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the society's affairs as at 31 December 2014 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the The Co-operative and Community Benefit Societies Act 2014.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DELTA-T DEVICES LIMITED (continued)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the The Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the society has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge, United Kingdom

29 May 2015

DELTA-T DEVICES LIMITED

INCOME AND EXPENDITURE ACCOUNT Year ended 31 December 2014

	Note	2014 £	2013 £
INCOME	2	3,539,312	3,642,276
Cost of sales		(1,550,218)	(1,541,608)
Gross surplus		<u>1,989,094</u>	<u>2,100,668</u>
EXPENDITURE			
Selling and distribution		(340,704)	(365,474)
Marketing		(512,713)	(451,059)
Research and development		(559,796)	(570,744)
Product support		(133,965)	(106,578)
Administration		(349,693)	(359,262)
		<u>(1,896,871)</u>	<u>(1,853,117)</u>
OPERATING SURPLUS	4	92,223	247,551
Interest receivable	5	<u>9,919</u>	<u>5,841</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		102,142	253,392
Tax credit on surplus on ordinary activities	6	<u>49,361</u>	<u>27,570</u>
SURPLUS RETAINED FOR THE FINANCIAL YEAR	16	<u><u>151,503</u></u>	<u><u>280,962</u></u>

All activities derive from continuing operations.

There are no recognised gains or losses for the current financial year other than as shown in the income and expenditure account. Accordingly no separate statement of total recognised gains and losses is shown.

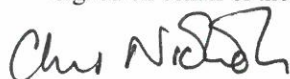
DELTA-T DEVICES LIMITED

BALANCE SHEET 31 December 2014

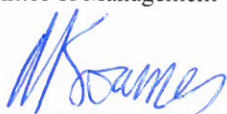
	Note	2014 £	2013 £
FIXED ASSETS			
Tangible assets	7	374,979	365,646
Investments	8	20	20
		<u>374,999</u>	<u>365,666</u>
CURRENT ASSETS			
Stocks and work in progress	9	451,179	436,886
Debtors	10	340,522	407,884
Cash at bank and held on deposit	11	832,213	885,172
		<u>1,623,914</u>	<u>1,729,942</u>
CREDITORS: amounts falling due within one year	12	<u>(298,219)</u>	<u>(345,908)</u>
NET CURRENT ASSETS		<u>1,325,695</u>	<u>1,384,034</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,700,694</u>	<u>1,749,700</u>
PROVISIONS FOR LIABILITIES AND CHARGES	13	<u>(12,868)</u>	<u>(12,000)</u>
NET ASSETS		<u>1,687,826</u>	<u>1,737,700</u>
FINANCED BY:			
Members' funds:			
Share capital	14	85	84
General reserve	16	1,472,742	1,524,779
Donated capital		54,360	54,360
Socially Useful Fund	15	14,513	10,891
Revaluation reserve	16	146,126	147,586
NET FUNDS EMPLOYED		<u>1,687,826</u>	<u>1,737,700</u>

These financial statements were approved by the Committee of Management on 15 MAY 2015

Signed on behalf of the Committee of Management



C Nicholl



M Soames



M Goodchild
Secretary

DELTA-T DEVICES LIMITED

RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS

Year ended 31 December 2014

	2014 £	2013 £
Surplus for the financial year	151,503	280,962
Increase in share capital	1	3
Dividends paid (note 18)	(185,000)	(18,500)
Socially Useful Fund	(16,378)	(894)
Opening members' funds	1,737,700	1,476,129
	<u>1,687,826</u>	<u>1,737,700</u>
Closing members' funds		

NOTE OF HISTORICAL COST SURPLUSES AND DEFICITS

Year ended 31 December 2014

	2014 £	2013 £
Surplus on ordinary activities before taxation	102,142	253,392
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	1,460	1,460
	<u>103,602</u>	<u>254,852</u>
Historical cost surplus on ordinary activities before taxation and dividends		
	<u>(32,037)</u>	<u>263,922</u>
Historical cost (deficit) surplus for the year after taxation and dividends		

DELTA-T DEVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Basis of accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of freehold property.

Going concern

The society reported a small reduction in turnover in 2014 following changes in geographical demand in the worldwide market for our products, combined with a continued effort by members to control costs. The business made a reasonable profit which has further enhanced the strong balance sheet with significant cash reserves at bank remaining. Forecasts have been prepared to 31 December 2015 showing a continuation in the underlying profitability of the business, together with a significant investment in new products. Post year-end sales to 31 March 2015 are ahead of target and the society feels the remainder of the year will meet budgetary targets.

The Management Committee therefore has a reasonable expectation that the society has adequate resources to continue in operational existence for the foreseeable future and is well placed to manage its business risks successfully. Accordingly, it continues to adopt the going concern basis in preparing the annual report and accounts.

Turnover

Turnover is the amount derived from the provision of goods and services falling within the society's ordinary activities, after deduction of trade discounts and value added tax.

Research and development

Expenditure on research and development is written off against profit in the year in which it is incurred.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences, which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Tangible fixed assets

The transitional arrangements of FRS 15 have been adopted in the case of freehold land and buildings, where the valuation of £360,000 has not been updated since January 2000. The society has opted to freeze the value of the freehold land and buildings at the previously revalued amount.

Depreciation is not provided on freehold land.

On other assets depreciation is provided on cost or valuation in equal annual instalments over the estimated useful lives of the assets, which are:

Buildings	50 years
Plant and machinery	4 years
Fixtures and fittings	5 years
Office equipment	4 years
Computer software	3 years
Instrumentation	2 years
Special tooling	2 years
Computer hardware and peripherals	4 years

DELTA-T DEVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

1. ACCOUNTING POLICIES (continued)

Investments

Investments held as fixed assets are stated at cost less provision for any permanent impairment in value.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost represents materials and appropriate production overheads.

Pensions

The society operates a defined contribution pension scheme. The pension costs represent the amount of contributions payable to the pension scheme in respect of the accounting period.

Cash flow statement

The society has taken advantage of the exemption afforded to small companies not to prepare a cash flow statement.

Foreign exchange

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rate ruling at that date.

Invoices received and raised in a foreign currency are converted into sterling at the rate ruling at the date of receipt, or a rate predetermined at the start of each quarter. Upon payment or receipt of the invoices the difference between the sterling equivalent and the converted amount is written off as a profit or loss on exchange.

Leases

Operating lease rentals are charged to profit and loss in equal annual amounts over the lease term.

Provisions

The society performs remedial work under warranty within 24 months of delivery of goods at no additional cost and on any goods sold in previous periods which have been recalled.

Provisions are made for the anticipated costs of such remedial work expected to be required in respect of goods recalled in previous periods or goods sold in the financial period.

2. ANALYSIS OF TURNOVER

The turnover attributable to each of the society's geographical markets is:

	2014 £	2013 £
United Kingdom	467,799	321,029
Rest of Europe	926,935	1,115,464
Asia and Middle East	1,413,081	1,198,343
Africa	144,326	304,268
Central America	54,733	25,080
North America	242,333	421,465
South America	152,960	169,563
Australia	137,145	87,064
	<u>3,539,312</u>	<u>3,642,276</u>

DELTA-T DEVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

3. INFORMATION REGARDING EMPLOYEES

	2014 No	2013 No
Average number of persons employed		
Manufacturing staff	12	14
Support staff	2	2
Administration and sales staff	12	11
Research and development staff	13	13
	<u>39</u>	<u>40</u>
	£	£
Staff costs during the year		
Wages and salaries	1,330,083	1,312,620
Social security costs	138,572	139,289
Other pension costs	106,798	98,930
	<u>1,575,453</u>	<u>1,550,839</u>

4. OPERATING SURPLUS

	2014 £	2013 £
Operating surplus is after charging (crediting):		
Depreciation - owned assets	41,754	80,073
Loss on sale of fixed assets	365	768
The analysis of auditor's remuneration is as follows:		
Fees payable to the company's auditor for the audit of the company's annual accounts	12,000	11,500
Foreign exchange gain	<u>(54,371)</u>	<u>(124,771)</u>

5. INTEREST RECEIVABLE

	2014 £	2013 £
Bank interest receivable	<u>9,919</u>	<u>5,841</u>

DELTA-T DEVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2014

6. TAX ON SURPLUS ON ORDINARY ACTIVITIES

	2014 £	2013 £
Current taxation		
Corporation tax at 21.49% (2013 - 20%)	(50,948)	(13,872)
Adjustment in respect of prior years	(464)	(5,156)
	<u>(51,412)</u>	<u>(19,028)</u>
Deferred tax		
Origination and reversal of timing differences	2,727	(12,714)
Adjustment in respect of prior years	(676)	4,172
	<u>2,051</u>	<u>(8,542)</u>
	<u>(49,361)</u>	<u>(27,570)</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 21.49% (2013 - 20%). The actual tax charge for the current and the previous year differs from the standard tax rate for the reasons set out in the following reconciliation:

	2014 £	2013 £
Surplus on ordinary activities before tax	<u>102,142</u>	<u>253,392</u>
Tax on surplus on ordinary activities at standard rate	21,954	50,678
Factors affecting credit for the year:		
Utilisation of tax losses	77,361	25,220
Disallowable expenses	136	1,255
Capital allowances in deficit of depreciation	(3,699)	12,815
Other timing differences	208	(100)
Research and development tax credits qualifying expenditure uplift	(95,960)	(89,868)
Adjustment in respect of prior years	(464)	(5,156)
R&D tax credit	(50,948)	(13,872)
Total actual amount of current tax	<u>(51,412)</u>	<u>(19,028)</u>

The Finance Act 2014, which provides for a reduction in the main rate of corporation tax from 21% to 20% effective from 1 April 2015, was substantively enacted on 17 July 2014. This rate reduction has been reflected in the calculation of deferred tax at the balance sheet date.

DELTA-T DEVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2014

7. TANGIBLE FIXED ASSETS

	Cost/Valuation			Total carried forward £
	Total brought forward £	Additions £	Disposals £	
Freehold land and buildings	381,518	-	-	381,518
Plant and machinery	134,226	2,899	-	137,125
Fixtures and fittings	169,514	28,069	(370)	197,213
Office equipment	15,837	-	(176)	15,661
Computer software	179,138	5,908	(69,722)	115,324
Instrumentation	64,271	1,970	-	66,241
Special tooling	34,510	391	-	34,901
Computer hardware and peripherals	96,058	15,504	(12,964)	98,598
	<u>1,075,072</u>	<u>54,741</u>	<u>(83,232)</u>	<u>1,046,581</u>
	Depreciation			Total carried forward £
	Total brought forward £	Charge in year £	Eliminated on disposals £	
Freehold land and buildings	76,264	5,444	-	81,708
Plant and machinery	113,040	9,831	-	122,871
Fixtures and fittings	160,153	4,594	(370)	164,377
Office equipment	15,428	418	(176)	15,670
Computer software	173,043	5,837	(66,990)	111,890
Instrumentation	63,807	1,061	-	64,868
Special tooling	33,538	889	-	34,427
Computer hardware and peripherals	74,153	13,680	(12,042)	75,791
	<u>709,426</u>	<u>41,754</u>	<u>(79,578)</u>	<u>671,602</u>
Net book value				
At 31 December 2014				<u>374,979</u>
At 31 December 2013				<u>365,646</u>

The transitional arrangements of FRS 15 have been adopted in the case of freehold land and buildings, where the valuation of £360,000 has not been updated since January 2000. The society has opted to freeze the value of the freehold land and buildings at the previously revalued amount, plus subsequent additions at cost.

DELTA-T DEVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

7. TANGIBLE FIXED ASSETS (continued)

The comparable amounts for freehold land and buildings under the historical cost convention are:

	2014 £	2013 £
Cost	253,923	253,923
Accumulated depreciation	99,660	95,677
Net book value	<u>154,263</u>	<u>158,246</u>

8. INVESTMENTS HELD AS FIXED ASSETS

	2014 £	2013 £
Other investments and loans	<u>20</u>	<u>20</u>

9. STOCKS AND WORK IN PROGRESS

	2014 £	2013 £
Raw materials and consumables	427,078	407,764
Finished goods	7,346	-
Work in progress	67,815	74,859
Provision	(51,060)	(45,737)
	<u>451,179</u>	<u>436,886</u>

10. DEBTORS

	2014 £	2013 £
Trade debtors	216,366	325,836
Research and development tax credits	50,948	13,871
Prepayments and accrued income	48,529	56,088
Other debtors	24,679	10,906
Deferred tax asset (note 13)	-	1,183
	<u>340,522</u>	<u>407,884</u>

All debtors are recoverable within one year.

11. CASH AT BANK AND HELD ON DEPOSIT

	2014 £	2013 £
Cash at bank	527,213	630,172
Cash held on deposit	305,000	255,000
	<u>832,213</u>	<u>885,172</u>

DELTA-T DEVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade creditors	168,041	135,865
Taxation and social security	40,810	36,699
Other creditors	-	45,094
Accruals and deferred income	89,368	128,250
	<u>298,219</u>	<u>345,908</u>

13. PROVISIONS FOR LIABILITIES AND CHARGES

Provisions	2014 £	2013 £
Warranty provision	12,000	12,000
Deferred tax	868	-
	<u>12,868</u>	<u>12,000</u>

Deferred tax	2014 £	2013 £
(Asset) liability brought forward	(1,183)	7,359
Profit and loss account charge (credit)	2,051	(8,542)
Liability (asset) carried forward	<u>868</u>	<u>(1,183)</u>

The source of the balance on the deferred tax account is as follows:

	2014		2013	
	Provided £	Not provided £	Provided £	Not provided £
Capital allowances in excess of depreciation	4,659	-	1,217	-
Short term timing differences	(3,791)	-	(2,400)	-
	<u>868</u>	<u>-</u>	<u>(1,183)</u>	<u>-</u>

No provision has been made for potential deferred tax on the property revaluation as the society is not intending to selling the property in the foreseeable future. The potential corporation tax arising on disposal of the property at the revalued amount is estimated at £nil (2013 - £nil).

Warranty provision

The provision for warranties relates to expected warranty repairs in the coming two years on products sold by the organisation.

DELTA-T DEVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

14. CALLED UP SHARE CAPITAL

	2014 £	2013 £
Current members	37	37
Forfeited capital of former members	48	47
	<u>85</u>	<u>84</u>

During the year one (2013 - three) member was admitted, one (2013 - two) member ceased and the share capital of this one former member was forfeited (2013 - two).

15. SOCIALLY USEFUL FUNDS

	SU Fund £
At 1 January 2014	10,891
Donations for social and charitable objects	(16,378)
Distribution	<u>20,000</u>
At 31 December 2014	<u>14,513</u>

Subsequent to the year end the Management Committee declared a distribution of £15,000 (2013 - £20,000) to be made available to the Socially Useful Fund

16. STATEMENT OF MOVEMENTS ON RESERVES

	Revaluation reserve £	General reserve £
At 1 January 2014	147,586	1,524,779
Surplus for the year	-	151,503
Distribution allocated to Socially Useful Fund	-	(20,000)
Dividend paid (note 18)	-	(185,000)
Excess depreciation on revaluation reserve	(1,460)	1,460
At 31 December 2014	<u>146,126</u>	<u>1,472,742</u>

DELTA-T DEVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

17. PENSION COSTS

The society operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the society in an independently administered fund. The pension cost charge represents contributions payable by the society to the fund and amounted to £106,798 (2013 - £98,930).

18. DIVIDENDS

A final dividend for 2013 of £166,500 (£4,500 per member) was declared and paid in 2014. An interim dividend of £18,500 (£500 per member) was declared and paid in 2014.

The distribution declared after 31 December 2014 totalled £74,000 (£2,000 per current members' share) and was paid during 2015.