

Annual Return (AR30) form

Society Name: Delta-T Devices Limited

Society Num: 22804 R

An Annual Return must be completed by all societies registered under the Co-operative and Community Benefit Societies Act 2014 ('the Act') (including any societies previously registered under the Industrial and Provident Societies Act 1965). The Annual Return must include:

- this form;
- a set of the society's accounts; and
- where required, an audit report or report on the accounts.

A society must submit the Annual Return within 7 months of the end of the society's financial year. Failure to submit on time is a prosecutable offence.

Please note that this form, including any details provided on the form, will be made available to the public through the Mutuels Public Register.

For guidance on our registration function for societies, which includes guidance on the requirement to submit an Annual Return, please see [here](#)

2.1 What date did the financial year covered by these accounts end?

31/12/2020

3.1 Please provide the names of the people who were directors of the society during the financial year this return covers.

Some societies use the term 'committee member' or 'trustee' instead of 'director'. For ease of reference, we use 'director' throughout this form.

Name of Director	Month of Birth	Year of Birth
Michael Soames	Sep	1975
John Newstead	Nov	1970
Heidi Hathaway	Feb	1971
Karl Kuhn	Oct	1980
Matthew Freeman	Apr	1976

3.2 All directors must be 16 or older. Please confirm this is this case:

☒ All directors are aged 16 or over

3.3 Societies are within the scope of the Company Director Disqualification Act 1986 (CDDA). Please confirm that no director is disqualified under that Act:

☒ No director is disqualified

3.4 Please state any close links which any of the directors has with any society, company or authority.

'Close links' includes any directorships or senior positions held by directors of the society in other organisations.

None

3.5 Please provide the name of the person who was secretary at the end of the financial year this return covers.

Societies must have a secretary

Name of Secretary

Month of Birth

Year of Birth

Martin Goodchild

Aug

1963

4.1 Please confirm that:

☒ accounts are being submitted with this form

☒ the accounts comply with relevant statutory and accounting requirements

☒ the accounts are signed by two members and the secretary (3 signatures in total)

4.2 Based on the accounts, please provide the information requested below for the financial year covered by this return.

Number of members

30

Turnover

3,708,012

Assets

2,234,554

Number of Employees

32

Share Capital

88

**Highest rate of interest
paid on shares**

4500

4.3 What Standard Industrial Classification code best describes the society's main business?

Where more than one code applies, please select the code that you feel best describes the society's main business activity. You will find a full list of codes [here](#)

SIC Code

**Other professional, scientific and technical
activities n.e.c. (74909)**

*

Societies are required to appoint an auditor to audited unless they are small or have disapplied this requirement. For further guidance see chapter 7 of our guidance:

<https://www.fca.org.uk/publication/finalised-guidance/fg15-12.pdf>

5.1 Please select the audit option the society has complied with:

- ☒ Full Professional Audit
- ☐ Auditor's report on the accounts
- ☐ Lay Audit
- ☐ No audit

5.2 Please confirm the audit option used by the society is compliant with the society's own rules and the Act

☒ We have complied with the audit requirements

5.3 Please confirm any audit report (where required) is being submitted with this Annual Return

- ☒ Yes
- ☐ Not applicable

5.4 Is this society accepted by HM Revenue and Customs (HMRC) as a charity for tax purposes?

- ☐ Yes
- ☒ No

5.5 If the society is registered with the Office of the Scottish Charity Regulator (OSCR) please provide your OSCR registration number.

- ☐ Registered
- ☒ Not applicable

5.6 Is the society a housing association?

- ☒ No
- ☐ Yes

6.1 Is the society a subsidiary of another society?

- ☐ Yes
- ☒ No

6.2 Does the society have one or more subsidiaries?

(As defined in sections 100 and 101 of the Act)

- ☐ Yes
- ☒ No

All societies are registered meeting one of two conditions for registration. These are that the society is either:

- a bona fide co-operative society ('co-operative society'); or
- are conducting business for the benefit of the community ('community benefit society').

You must answer the questions set out in in the next section of this form, depending on which condition for registration you meet.

If you are not sure which condition for registration applies to the society please see chapters 4 and 5 of our guidance [here](#).

7.1 Condition for Registration

- ☒ Co-operative society
- ☐ Community Benefits society

Co-operative societies must answer the following questions in relation to the financial year covered by this return.

7A.1 What is the business of the society?

For example, did you provide housing, manufacture goods, develop IT systems etc.

Delta-T specializes in instruments for environmental science

7A.2 Please describe the members' common economic, social and cultural needs and aspirations.

In answering this question, please make sure it is clear what needs and aspirations members had in common.

Members continue to improve the capabilities of these instruments, they use the most up to date theory and technologies. Members perform all the functions required in the business to make it a successful venture

7A.3 How did the society's business meet those needs and aspirations?

You have described the society's business answer to question 7A.1, and in question 7A.2 you have described the common needs and aspirations of members. Please now describe how during the year that business met those common needs and aspirations.

Members share in the control and success of the business by following co-op principals

7A.4 How did members democratically control the society?

For example, did the members elect a board at an annual general meeting; did all members collectively run the society.

Members elect a management committee on a bi-annual basis. The position of chair is ratified at the AGM

7A.5 What did the society do with any surplus or profit?

For instance, did you pay a dividend to members (and if so, on what basis); did money get reinvested in the business; put into reserves; used for some other purpose?

Some profit was paid a share interest and some was put into reserves

DELTA-T DEVICES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

Whiting & Partners
Greenwood House
Greenwood Court
Skyliner Way
Bury St Edmunds
Suffolk
IP32 7GY

DELTA-T DEVICES LIMITED

CONTENTS

	Page
Statement of the Management Committees' responsibilities	1
Independent Auditors' Report	2 - 5
Income and Expenditure Account	6
Balance Sheet	7 - 8
Reconciliation of Movements in Members' Funds	9
Notes to the Financial Statements	10 - 24
The following pages do not form part of the statutory financial statements:	
Detailed Income and Expenditure Account	26-29

DELTA-T DEVICES LIMITED

MANAGEMENT COMMITTEES' STATEMENT OF THE MANAGEMENT COMMITTEE RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2020

The management committee present their report and the financial statements for the year ended 31 December 2020.

Statement of the Management Committee's responsibilities

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

Co-operative and Community Benefit law requires the Management Committee to prepare financial statements for each financial year. Under that law, the Management Committee has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 these financial statements, the Management Committee is required to:

- select suitable accounting policies for the Society's financial statements and then apply them consistently;
- make judgments and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.


The Management Committee is responsible for keeping adequate accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the Society and to enable them to ensure that the financial statements comply with the The Co-operative and Community Benefit Societies Act 2014. They are 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.

Disclosure of information to auditors

In the case of each of the persons who is a member of the Management Committee at the time when this report is approved has confirmed that:

- so far as each member of the Management Committee is aware, there is no relevant audit information of which the Society's auditors are unaware, and
- each member of the Management Committee has taken all the steps that ought to have been taken as a Management Committee in order to be aware of any relevant audit information and to establish that the Society's auditors are aware of that information.

This report was approved by the board and signed on its behalf.


.....
J Newstead

Date: 11 June 2021

DELTA-T DEVICES LIMITED

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

Opinion

We have audited the financial statements of Delta-T Devices Limited for the year ended 31 December 2020, which comprise the Income and Expenditure Account, the Balance Sheet, the Reconciliation of Movements in Members' Funds and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Society's affairs as at 31 December 2020 and of its surplus or deficit 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 Co-operative and Community Benefit Societies Act 2014.

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 Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Management Committee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Society's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Management Committee with respect to going concern are described in the relevant sections of this report.

DELTA-T DEVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DELTA-T DEVICES LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Management Committee is responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Management Committee's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Management Committee's Report has 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 Society and its environment obtained in the course of the audit, we have not identified material misstatements in the Management Committee's Report.

We have nothing to report in respect of the following matters in relation to which The Co-operative and Community Benefit Societies Act 2014 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 Management Committee remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Management Committee were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Management Committee's Report and from the requirement to prepare a Strategic Report.

DELTA-T DEVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DELTA-T DEVICES LIMITED (CONTINUED)

Responsibilities of the Management Committee

As explained more fully in the Statement of the Management Committee responsibilities set out on page 1, the Management Committee is 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 Management Committee 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 Management Committee is responsible for assessing the Society'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 Management Committee either intend to liquidate the Society 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 an Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management around actual and potential litigation and claims;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates for bias.

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 Auditors' Report.

DELTA-T DEVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DELTA-T DEVICES LIMITED (CONTINUED)

Use of our report

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 Auditors' 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.



for and on behalf of
Whiting & Partners

Chartered Accountants
Registered Auditor

Greenwood House
Greenwood Court
Skyliner Way
Bury St Edmunds
Suffolk
IP32 7GY
Date: 11/6/21

DELTA-T DEVICES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover		3,708,012	3,770,737
Cost of sales		(1,664,379)	(1,811,519)
Gross profit		<u>2,043,633</u>	<u>1,959,218</u>
Selling and distribution		(395,669)	(384,032)
Marketing		(487,619)	(553,303)
Administrative expenses		(346,875)	(345,396)
Research and development		(585,891)	(593,946)
Other income	8	90,313	14,613
Product support		(147,245)	(156,369)
Operating profit/(loss)	6	<u>170,647</u>	<u>(59,215)</u>
Interest receivable and similar income	7	-	777
Profit/(loss) before tax		<u>170,647</u>	<u>(58,438)</u>
Tax on profit/(loss)	9	75,589	113,207
Profit for the financial year		<u><u>246,236</u></u>	<u><u>54,769</u></u>

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 10 to 24 form part of these financial statements.

DELTA-T DEVICES LIMITED
REGISTERED NUMBER: IP22804R

BALANCE SHEET
AS AT 31 DECEMBER 2020


	Note	2020 £	2019 £
Fixed assets			
Tangible assets	10	333,737	309,483
Investments	11	20	20
		<u>333,757</u>	<u>309,503</u>
Current assets			
Stocks	12	524,393	514,556
Debtors: amounts falling due within one year	13	613,866	749,452
Cash at bank and in hand	14	871,538	488,492
		<u>2,009,797</u>	<u>1,752,500</u>
Creditors: amounts falling due within one year	15	(448,680)	(404,171)
Net current assets		<u>1,561,117</u>	<u>1,348,329</u>
Total assets less current liabilities		<u>1,894,874</u>	<u>1,657,832</u>
Provisions for liabilities			
Deferred tax	16	(6,591)	(626)
Other provisions	17	(12,000)	(12,000)
		<u>(18,591)</u>	<u>(12,626)</u>
Net assets		<u><u>1,876,283</u></u>	<u><u>1,645,206</u></u>
Capital and reserves			
Called up share capital	18	88	86
Revaluation reserve		143,207	143,207
Foreign exchange reserve		3,640	3,799
Other reserves		54,360	54,360
Profit and loss account		1,674,988	1,443,754
		<u><u>1,876,283</u></u>	<u><u>1,645,206</u></u>

DELTA-T DEVICES LIMITED
REGISTERED NUMBER: IP22804R


BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on


.....
J Newstead
Director


.....
M Soames
Director


.....
M Goodchild
Company Secretary

The notes on pages 10 to 24 form part of these financial statements.

DELTA-T DEVICES LIMITED

RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £	Revaluation reserve £	Socially Useful Fund £	Donated capital £	General reserve £	Total £
At 1 January 2019	87	143,207	1,938	54,360	1,424,181	1,623,773
Comprehensive income for the year						
Surplus for the year	-	-	-	-	54,769	54,769
Share interest paid	-	-	-	-	(31,997)	(31,997)
SUF allocation	-	-	3,200	-	(3,200)	-
SUF distributed	-	-	(1,339)	-	-	(1,339)
Shares reclaimed during the year	(1)	-	-	-	1	-
At 1 January 2020	86	143,207	3,799	54,360	1,443,754	1,645,206
Surplus for the year	-	-	-	-	246,236	246,236
Share Interest paid	-	-	-	-	(15,000)	(15,000)
SUF distributed	-	-	(159)	-	-	(159)
Shares issued during the year	2	-	-	-	(2)	-
At 31 December 2020	88	143,207	3,640	54,360	1,674,988	1,876,283

The notes on pages 10 to 24 form part of these financial statements.

DELTA-T DEVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Delta-T Devices Limited is a registered Society under the Co-operative and Community Benefit Societies Act 2014 and is a worker co-operative controlled by its members.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102). "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council.

2. Accounting policies

2.1 Basis of preparation of financial statements

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Society's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The Society reported a small decrease in turnover during 2020. Society's balance sheet was strong, together with significant cash reserves at bank remaining. Post year-end orders to 31 March 2021 are ahead of target and the society feels the remainder of the year will meet budgetary targets. Accordingly the Management Committee continues to adopt the going concern basis in preparing the annual report and accounts.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Society and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Society has transferred the significant risks and rewards of ownership to the buyer;
- the Society retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Society will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

DELTA-T DEVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Society adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Society. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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. No changes are required under FRS 102.

The difference between this value and the cost as shown in note 10 to the financial statements represents subsequent additions less any disposals.

Depreciation is not provided on freehold land.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 50 years
Plant and machinery	- 4 years
Fixtures and fittings	- 5 years
Office equipment	- 4 years
Computer equip & software	- 3 - 4 years
Other fixed assets	- 2 - 4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

DELTA-T DEVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

The Society only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income and Expenditure Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Society would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

DELTA-T DEVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Income and Expenditure Account in the same period as the related expenditure.

2.12 Foreign currency translation

Functional and presentation currency

The Society's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income and Expenditure Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.13 Distributions

Distributions are recognised when they become legally payable. Interim distributions are recognised when paid. Final equity distributions are recognised when approved by the members at an annual general meeting. Distributions on shares recognised as liabilities are recognised as expenses and classified within interest payable.

DELTA-T DEVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.14 Operating leases: the Society as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.15 Pensions

The Society operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Society pays fixed contributions into a separate entity. Once the contributions have been paid the Society has no further payment obligations.

The contributions are recognised as an expense in the Income and Expenditure Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Society in independently administered funds.

2.16 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Society a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Society becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

DELTA-T DEVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Society operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.19 Research and development costs

Expenditure on research and development is written off to the Income and Expenditure account as incurred.

DELTA-T DEVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Management Committee's accounting policies, which are described in note 2, the required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that periods, or in the period of the revision and future periods if the revision affects both current and future periods.

The critical accounting judgements of the society were:

Stock provisions

Stock provisions are based on slow moving stock and is based on 100% of all stock which has not been sold in last 365 days.

Valuation of finished goods and work in progress

Finished goods valuation is based on materials, labour and sub-contract standard costs. The work in progress is valued based on the standard costs of all components issued to open works orders in production.

Warranties

Warranties provision is an estimate of potential claims in any given 2 year period based on historical evidence of prior claims.

4. Turnover

Turnover attributable to each of the Society's geographical markets is:

	2020 £	2019 £
United Kingdom	543,186	487,309
Rest of Europe	1,101,475	1,062,526
Asia and Middle East	968,761	1,103,864
Africa	101,206	105,113
Central America	-	8,060
North America	820,427	819,067
South America	95,135	106,553
Australia	77,822	78,245
	<u>3,708,012</u>	<u>3,770,737</u>

DELTA-T DEVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5. Employees

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

	2020 No.	2019 No.
Manufacturing staff	11	11
Support staff	1	1
Administration and sales staff	10	10
Research and development staff	10	11
	<u>32</u>	<u>33</u>

	2020 £	2019 £
Staff costs during the year		
Wages and salaries	1,218,825	1,230,003
Social security costs	129,274	131,001
Other pension costs	184,955	188,690
	<u>1,533,054</u>	<u>1,549,694</u>

DELTA-T DEVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

6. Operating (deficit)/surplus

The operating (deficit)/surplus is stated after charging:

	2020 £	2019 £
Exchange differences	6,406	27,281
Other operating lease rentals	600	1
Depreciation - owned assets	28,845	23,415
Auditors remuneration	10,659	10,482
	<u> </u>	<u> </u>

7. Interest receivable

	2020 £	2019 £
Bank interest receivable	-	777
	<u> </u>	<u> </u>
	-	777
	<u> </u>	<u> </u>

8. Other operating income

	2020 £	2019 £
Government grants receivable	90,313	12,435
Research and Development expenditure credit	-	2,178
	<u> </u>	<u> </u>
	90,313	14,613
	<u> </u>	<u> </u>

Government grants consist of Covid-19 support, being that of furlough income.

DELTA-T DEVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on surplus for the year	(81,554)	(114,378)
	<u>(81,554)</u>	<u>(114,378)</u>
Total current tax	<u>(81,554)</u>	<u>(114,378)</u>
Deferred tax		
Origination and reversal of timing differences	5,965	1,171
Total deferred tax	<u>5,965</u>	<u>1,171</u>
Taxation on surplus on ordinary activities	<u>(75,589)</u>	<u>(113,207)</u>

Factors affecting tax charge for the year

There were no factors that affected the tax charge for the year which has been calculated on the surplus on ordinary activities before tax at the standard rate of corporation tax in the UK of 19% (2019 - 19%).

DELTA-T DEVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

10. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Computer equipment and software £	Instrumentation and special tooling £	Total £
Cost or valuation							
At 1 January 2020	381,518	135,366	227,079	15,357	241,126	107,840	1,108,286
Additions	-	-	-	-	730	52,370	53,100
Disposals	-	(844)	-	-	-	-	(844)
At 31 December 2020	381,518	134,522	227,079	15,357	241,856	160,210	1,160,542
Depreciation							
At 1 January 2020	108,489	135,195	204,112	15,357	233,345	102,307	798,805
Charge for the year on owned assets	5,458	-	5,462	-	4,007	13,917	28,844
Disposals	-	(844)	-	-	-	-	(844)
At 31 December 2020	113,947	134,351	209,574	15,357	237,352	116,224	826,805
Net book value							
At 31 December 2020	267,571	171	17,505	-	4,504	43,986	333,737
At 31 December 2019	273,029	172	22,967	-	7,782	5,533	309,483

DELTA-T DEVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

10. Tangible fixed assets (continued)

The historic cost of freehold property is £322,297.

11. Fixed asset investments

	Other investments £
At 1 January 2020	20
Net book value	
At 31 December 2020	20
At 31 December 2019	20

12. Stocks

	2020 £	2019 £
Raw materials and consumables	415,057	418,804
Work in progress	120,862	137,788
Finished goods	31,435	17,362
Provision	(42,961)	(59,398)
	<u>524,393</u>	<u>514,556</u>

13. Debtors

	2020 £	2019 £
Trade debtors	471,015	572,757
Other debtors	11,760	10,265
Research and development tax credits	81,737	114,378
Research and development expenditure - credit	-	2,178
Prepayments and accrued income	49,354	49,874
	<u>613,866</u>	<u>749,452</u>

DELTA-T DEVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

14. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	871,538	488,492
	<u>871,538</u>	<u>488,492</u>

15. Creditors: Amounts falling due within one year

	2020 £	2019 £
Payments received on account	129,199	61,116
Trade creditors	146,330	125,950
Other taxation and social security	33,881	35,301
Accruals and deferred income	139,270	181,804
	<u>448,680</u>	<u>404,171</u>

16. Deferred taxation

	2020 £	2019 £
At beginning of year (liability)/ asset	(626)	545
Charged to Income and Expenditure account	(5,965)	(1,171)
At end of year (liability)/asset	<u>(6,591)</u>	<u>(626)</u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(6,591)	(626)
	<u>(6,591)</u>	<u>(626)</u>

No provision has been made for potential deferred tax on the property revaluation as the society is not intending to sell the property in the foreseeable future. The potential corporation tax arising on disposal of the property at the revalued amount is estimated at £Nil (2019 - £nil).

DELTA-T DEVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

17. Provisions

	Warranty provision £
At 1 January 2020	12,000
At 31 December 2020	<u>12,000</u>

The provision for warranties relates to expected warranty repairs in the coming two years on product sales.

18. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
30 (2019 - 31) Current members shares of £1.00 each	30	31
58 (2019 - 55) Forfeited capital of former members shares of £1.00 each	58	55
	<u>88</u>	<u>86</u>

During the year two (2019 - no) members were admitted and three (2019 - one) members ceased.

In respect of the one ordinary £1 shares issued in the year, no consideration was received by the Society.

19. Pension commitments

The Society operates a defined contributions 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 £184,955 (2019 - £188,690). Contributions totalling £Nil (2019 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

DELTA-T DEVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

20. Commitments under operating leases

At 31 December 2020 the Society had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Later than 1 year and not later than 5 years	5,419	11,077
	<u>5,419</u>	<u>11,077</u>

21. Distributions

Distributions of £15,000 (£500 per member) (2019 £31,997) were declared and paid in 2020.

The distribution declared after 31 December 2020 totalled £nil (£nil per current members' share).

22. Controlling party

The Society is a workers co-operative which is controlled by its members.

The members vote on an annual basis to elect the members of the Management Committee.