Registered No: 04136659 (England & Wales)

Noratel UK Limited

Report and Financial Statements

For the year ended 31 March 2019

Company information

Directors
T Larsson
A B Tandberg
G I Lynock

Secretary
G Davidson

Independent Auditor
PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Banker
Danske Bank
London UK and International
75 King William Street
London EC4N 7DT

Registered Office
2 Chancellor Court
Occam Road
Guildford
Surrey
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GU2 7AH

Strategic report

The directors present their strategic report, directors' report and audited financial statements for the year ended 31 March 2019.

Principal activities and review of the business

The principal activity of the company throughout the year was the supply of electronic components.

The company is a private limited company and is incorporated and domiciled in England.

The company's key financial and other performance indicators, as used by management in reviewing the performance of the business for the year, are as follows:

	2019	*2018*	*Change*
Turnover (£000)	6,493	6,617	(1.9%)
Gross margin	24.1%	25.4%	1.3ppt
Operating profit (£000)	850	1,013	(16%)
Average monthly number of employees	8	8	
Net assets (£000)	1,778	2,697	(34.1%)

Principal risks and uncertainties

Competitive pressures in the market produce commercial risks for the company and this could lead to further price pressure and loss of sales. The company manages exposure to these risks by constantly reviewing costs and seeking new products for distribution, thus ensuring rapid responses to any changes in market and customer needs.

Financial risk

The financial risk management policies and procedures are centred on price risk, credit risk, liquidity risk and cash flow risk. In the view of the directors, these are held to minimise risks, which are managed by:

- hedging of foreign exchange exposures by use of forward exchange rate contracts;
- effective credit control procedure in place which limit exposure to credit risk;
- regular monitoring of cash flow against forecast and expected liquidity; and
- availability of short-term finance through group resources if needed.

Approved by the Board and signed on its behalf by:

G I Lynock
Director
Date: 20 DECEMBER 2019
Registered No: 04136659

Registered No. 04136659

Directors' report

Results and dividends

The profit for the financial year amounted to £681,000 (31 March 2018 – £820,000). An interim dividend was paid during the year of £1,600,000 (31 March 2018 – £750,000).

Going concern

The company's business activities, together with the factors likely to affect its future development, financial performance and position are described in the strategic report on page 2.

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 the company continues to adopt the going concern basis in preparing the financial statements.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

T Larsson
A B Tandberg
G I Lynock

Financial instruments

Aside from working capital, the company does not have any other financial instruments. Further details on the company's financial risk management is given in the Strategic Report on page 2.

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 auditors in connection with preparing its report, of which the auditors are unaware. Having made enquiries of fellow directors and the company's auditors, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

Reappointment of auditor

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

On behalf of the Board

G I Lynock
Director
Date 20 DECEMBER 2019

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Independent auditors' report to the members of Noratel UK Limited

Report on the audit of the financial statements

Opinion
In our opinion, Noratel UK Limited's financial statements:

- give a true and fair view of the state 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 (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2019; the profit and loss account and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern
ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information
The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements
As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report
This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Richard Porter

Richard Porter (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
20 December 2019

Profit and loss account

for the year ended 31 March 2019

	Note	*2019* *£'000*	*2018* *£'000*
Turnover	2	6,493	6,617
Cost of sales		(4,928)	(4,933)
Gross Profit		1,565	1,684
Administrative expenses		(715)	(671)
Operating Profit	3	850	1,013
Interest receivable and similar income	6	11	6
Interest payable and similar expenses	7	(13)	(7)
Profit before taxation		848	1,012
Tax on profit	8	(167)	(192)
Profit for the financial year		681	820

The results of the current and prior year arise solely from continuing operations.

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £681,000 in the year to 31 March 2019 (2018 – £820,000).

Balance sheet

at 31 March 2019

	Note	2019 £'000	2018 £'000
Fixed assets			
Tangible assets	10	4	8
Current assets			
Stocks	11	316	569
Debtors	12	1,138	1,316
Cash at bank and in hand		1,124	1,931
		2,578	3,816
Creditors: amounts falling due within one year	13	(804)	(1,127)
Net current assets		1,774	2,689
Net assets		1,778	2,697
Capital and reserves			
Called up share capital	14	–	–
Profit and loss account		1,778	2,697
Total shareholders' funds		1,778	2,697

The financial statements on pages 7 to 18 were approved by the Board and signed on its behalf by:

G I Lynock

Director

Date 20 DECEMBER 2019

Registered No: 04136659

Statement of Changes in Equity

for the year ended at 31 March 2019

	Called up share capital	*Profit and loss account*	*Total shareholders' funds*
	£'000	*£'000*	*£'000*
At 1 April 2017	–	2,627	2,627
Profit for the financial year	–	820	820
Dividend	–	(750)	(750)
At 31 March 2018	–	2,697	2,697
Profit for the financial year	–	681	681
Dividend	–	(1,600)	(1,600)
At 31 March 2019	–	1,778	1,778

Notes to the financial statements

For the year ended 31 March 2019

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention, as modified by the revaluation of derivative financial instruments measured at fair value through profit or loss, and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and applicable accounting standards.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2019. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- The requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  (i) paragraph 79(a) iv of IAS 1; and
  (ii) paragraph 73(e) of IAS 16 'Property, Plant and Equipment';
  (iii) Paragraph 118(e) of IAS 38, 'Intangible assets'
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d) (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirement for minimum of two primary statements, including cash flow statements);
  - 38B–D (additional comparative information);
  - 111 (cash flow statement information); and
  - 134–136 (capital management disclosures).
- The requirements of IAS 7 'Statement of Cash Flows';
- The requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors';
- The requirements of paragraph 17 of IAS 24 'Related Party Disclosures'; and
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- The requirements of IFRS 7 'Financial Instruments: Disclosures';
- The requirements of paragraphs 91-99 of IFRS 13 'Fair Value Measurement.

The company's ultimate parent undertaking, discoverIE Group plc, includes the company in its consolidated financial statements. The consolidated financial statements of discoverIE Group plc are prepared in accordance with International Financial Reporting Standard and are available to be publicly and may be obtained from 2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey GU2 7AH.

Going concern

The company's business activities, together with the factors likely to affect its future development, financial performance and position are described in the strategic report on page 2.

The company has significant financial resources, well established distribution contracts with a number of suppliers and a broad and stable customer base.

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 in preparing the financial statements.

New standards, amendments and IFRIC interpretations

IFRS 9 and IFRS 15 are new accounting standards that are effective for the year ended 31 March 2019 and did not have a material impact on the company. There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 March 2019 have had a material impact on the company.

Notes to the financial statements (continued)

For the year ended 31 March 2019

1. Accounting policies (continued)

Revenue Recognition

In accordance with IFRS 15, a five-step approach is taken for recognising revenue from contracts with customers. The amount of revenue recorded represents the fair value of the consideration received or receivable, after deducting discounts, VAT and similar taxes levied overseas. Revenue is recognised in line with the performance of the contractual obligations by the company as follows:

a. Revenue from the sale of products is recognised upon transfer of control to the customer upon completion of specified performance obligations. This is generally when goods are dispatched to customers;

b. Revenue from rendering of services, which primarily comprise maintenance and outsourcing contracts, is recognised over the life of the contract reflecting performance of the contractual obligations to the customer;

c. Interest income is recognised as the interest accrues using the effective interest method;

Tangible fixed assets

Tangible fixed assets are stated at historical cost less depreciation. Depreciation is calculated using the following annual rates in order to allocate their cost over its estimated useful life.

Leasehold improvements	–	20% on cost
Plant and machinery	–	10% on cost
Fixtures and fittings	–	10% on cost
Computer equipment	–	33.33% on cost

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments are reviewed for possible reversal at each reporting date.

Stocks

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items. Cost is determined using the FIFO method. Cost includes, where appropriate, relevant overhead. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Trade and other debtors

Trade receivables are assessed for impairment in accordance with IFRS9 'Financial instruments'. This requires consideration of both historical and forward looking information when considering potential impairment of trade receivables. The company has opted to use the simplified approach allowed under IFRS9, which requires the calculation of a lifetime expected credit loss. A provision matrix has been created to calculate an expected credit loss. This matrix is based upon historical observed default rates adjusted for forward looking information to create an adjusted default rate. This adjusted default rate is used to calculate an expected credit loss and is compared with the bad debts written off during the previous 36 months.

In addition to the expected credit loss, provision is made where there is objective evidence that a receivable balance may be impaired. Such evidence may include a significant change in the credit risk profile of a customer, debt that has become significantly overdue or contract default. Trade receivables are written off where there is no reasonable expectation of recovery, such as bankruptcy proceedings.

Notes to the financial statements (continued)

For the year ended 31 March 2019

1. Accounting policies (continued)

Cash at bank and in hand

Cash at bank and in handin the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less.

Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxable authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- 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

Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency.

Transactions and balances

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Operating leases

Leases where the lessor retains a significant portion of the risks and benefits of ownership of the asset are classified as operating leases and rentals payable are charged in the profit and loss account on a straight line basis over the lease term.

Notes to the financial statements (continued)

For the year ended 31 March 2019

1. Accounting policies (continued)

Dividend distribution

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

Pensions

The company makes payments to defined contribution pension schemes. The amount charged to the profit and loss account represents employer contributions payable in respect of the accounting year.

Financial Instruments

Derivative financial instruments
The company uses derivative financial instruments to hedge its exposure to foreign exchange risks arising from operational activities. It principally employs forward foreign exchange contracts to hedge the risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The company does not enter into speculative derivative contracts. The company does not apply hedge accounting and reports movement in derivatives at fair value through profit and loss.

Financial assets

Beginning 1 April 2018, the company classifies its financial assets in the following measurement categories:

1. those to be measured at amortised cost; and
2. those to be measured subsequently at fair value through profit or loss.

The classification depends on the company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

For assets measured at fair values, gains or losses will either be recorded in profit or loss or other comprehensive income.

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

Financial assets mainly comprise of "trade debtors", "other current assets (excluding prepayments and VAT receivables", and "cash at bank and in hand" in balance sheet.

Financial assets are subsequently measured based on the classification as follows:

Amortised cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a financial asset that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

FVTPL: Derivative financial instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVTPL. Movement in fair values and interest income that is not part of a hedging relationship is recognised in profit or loss in the period in which it arises. The company applies the IFRS 9 simplified approach and uses a provision matrix to measure expected credit loss which uses a lifetime expected loss allowance for all trade receivables.

Prior to 1 April 2018, the company classified non-derivative financial assets with fixed or determinable payments as Loans and receivables. They were included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables were presented in debtors in the balance sheet.

Notes to the financial statements (continued)

For the year ended 31 March 2019

1. Accounting policies (continued)

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and the liability simultaneously

Financial liabilities
Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs. A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Significant accounting estimates and judgements

In preparing the financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant estimates and assumptions are made in relation to inventory provisioning and impairment of trade debtors and are reviewed on an on-going basis and are based on historical experience and various other factors that are considered reasonable under the circumstances.

2. Turnover

	2019	*2018*
	£'000	*£'000*
By geographical origin:		
United Kingdom	3,271	3,182
Europe	959	1,064
Rest of the world	2,263	2,371
	6,493	6,617

3. Operating profit

This is stated after charging/(crediting):

	2019	*2018*
	£'000	*£'000*
Auditors' remuneration	7	8
Depreciation of tangible assets	4	5
Operating lease rentals – land and buildings	23	23
Foreign exchange (gain)/loss	25	(16)

Notes to the financial statements (continued)

For the year ended 31 March 2019

4. Directors' remuneration

	2019	*2018*
	£'000	*£'000*
Aggregate remuneration in respect of qualifying services	99	91

No directors exercised share options during the year (2018 – nil).

The aggregate of remuneration for the highest paid director was £99,206 (2018 – £91,098).

No pension contributions to money purchase schemes were paid for directors (2018 – nil).

Two directors (2018 – two) were paid no remuneration in their capacity as directors of the company. The directors also provide services to other group undertakings and received remuneration from a fellow group undertaking in respect of services to the group. The directors consider that the proportion of the remuneration that relates to services to this company is £20,000 (2018 – £20,000).

5. Staff costs

	2019	*2018*
	£'000	*£'000*
Wages and salaries	402	364
Social security costs	41	39
	443	403

The average monthly number of persons employed by the company during the year (including the directors), analysed by category, was as follows:

	No.	*No.*
Sales and marketing	5	5
Administration	3	3
	8	8

6. Interest receivable and similar income

	2019	*2018*
	£'000	*£'000*
Interest receivable on cash at bank	11	6

Notes to the financial statements (continued)

For the year ended 31 March 2019

7. Interest payable and similar expenses

	2019 £'000	2018 £'000
Interest payable on overdrafts	13	7

8. Tax on profit

(a) Tax on profit

The tax charge is made up as follows:

	2019 £'000	2018 £'000
Current tax:		
UK corporation tax on the profit for the year	162	192
Adjustments in respect of the prior year	3	-
Deferred tax:		
Origination and reversal of timing differences	2	-
Tax on profit	167	192

UK corporation tax has been charged at 19% (2018 – 19%).

(b) Factors affecting the current tax charge for the year

The tax assessed for the year differs from (2018 – the same as) the standard rate of corporation tax in the UK of 19% (2018 – 19%). The differences are explained below:

	2019 £'000	2018 £'000
Profit before taxation	848	1,012
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2018 – 19%)	162	192
Effects of:		
Adjustments to current tax charge in respect of previous years	3	-
Adjustments to deferred tax in respect of previous years	2	-
Total tax for the year (note 8(a))	167	192

(c) Factors affecting future tax charges

A reduction in the UK corporation tax rate to 17% has been substantively enacted with effect from 1 April 2020, up until which time a rate of 19% is applicable.

9. Dividends

	2019 £'000	2018 £'000
Interim Dividend - £800,000 per share (2018 – £375,000 per share)	1,600	750

Notes to the financial statements (continued)

For the year ended 31 March 2019

10. Tangible assets

	Leasehold Improvements £'000	*Plant and machinery £'000*	*Fixtures and fittings £'000*	*Computer equipment £'000*	*Totals £'000*
Cost:					
At 1 April 2018	10	1	5	38	54
Additions	–	–	–	–	–
At 31 March 2019	10	1	5	38	54
Accumulated Depreciation:					
At 1 April 2018	5	1	5	35	46
Charge for the year	1	–	–	3	4
At 31 March 2019	6	1	5	38	50
Net book value:					
At 31 March 2019	4	–	–	-	4
At 31 March 2018	5	–	–	3	8

11. Stocks

	2019 £'000	*2018 £'000*
Stocks	316	569

12. Debtors

	2019 £'000	*2018 £'000*
Trade debtors	1,099	1,286
Amounts due from group undertakings	5	9
Other taxes	12	-
Prepayments and accrued income	22	21
	1,138	1,316

Notes to the financial statements (continued)

For the year ended 31 March 2019

13. Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Bank loans and overdrafts	293	227
Trade creditors	46	50
Trade pre-payments	14	-
Amounts due to group undertakings	239	578
Corporation tax	162	192
Social security and other taxes	11	40
Accrued expenses	39	40
	804	1,127

14. Called up share capital

Allotted, called up and fully paid	2019 *No.*	2019 *£*	2018 *No.*	2018 *£*
Ordinary shares of £1 each	2	2	2	2

15. Obligations under leases

The company leases a building under non-cancellable operating lease agreement. The future minimum rentals payable under non-cancellable operating leases are as follows:

	2019 £'000	2018 £'000
Future minimum lease payments due:		
Within one year	23	40
In two to five years	90	15
	113	55

16. Guarantees

The Company is a guarantor to the Group's £180m Revolving Credit Facility which is provided by a syndicate of banks.

17. Ultimate parent undertaking and controlling party

The immediate parent is Noratel AS, a company incorporated in Norway. The ultimate parent company is discoverIE Group plc, a company incorporated in England.

The parent undertaking of the smallest and largest group that prepares group financial statements and of which the company is a member is discoverIE Group plc. Copies of the group financial statements of discoverIE Group plc can be obtained from 2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey GU2 7AH.