

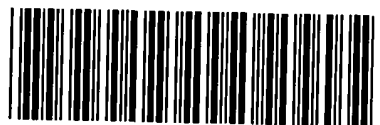
Registered number: 01681996

Martel Instruments Limited

Annual report - filing copy

31 December 2020

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Martel Instruments Limited

Company information

Directors	C J Proudfoot K J Walker
Company secretary	C J Proudfoot
Registered number	01681996
Registered office	Stanelaw Way Tanfield Lea Industrial Estate Stanley County Durham DH9 9XG
Independent auditor	UNW LLP Chartered Accountants Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE
Bankers	Allied Irish Bank (GB) 1 Trinity Gardens Broad Chare Newcastle upon Tyne NE1 2HF

Martel Instruments Limited

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Martel Instruments Limited

Balance sheet At 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	5	987,271	1,080,111
Current assets			
Stocks		364,754	272,864
Debtors	6	4,290,401	3,845,673
Cash at bank and in hand		1,779,620	756,998
		<u>6,434,775</u>	<u>4,875,535</u>
Creditors: amounts falling due within one year	7	(1,010,256)	(281,489)
Net current assets		<u>5,424,519</u>	<u>4,594,046</u>
Total assets less current liabilities		<u>6,411,790</u>	<u>5,674,157</u>
Creditors: amounts falling due after more than one year	8	(84,758)	(122,084)
Provisions for liabilities			
Deferred tax		(67,347)	(63,579)
Net assets		<u><u>6,259,685</u></u>	<u><u>5,488,494</u></u>
Capital and reserves			
Called up share capital		45,445	45,445
Share premium account		14,055	14,055
Revaluation reserve		216,752	216,752
Profit and loss account		5,983,433	5,212,242
Total equity		<u><u>6,259,685</u></u>	<u><u>5,488,494</u></u>

Martel Instruments Limited

Balance sheet (continued) 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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

 10-3-21

C J Proudfoot
Director

Company registered number: 01681996

The notes on pages 3 to 10 form part of these financial statements.

Martel Instruments Limited

Notes to the financial statements Year ended 31 December 2020

1. General information

Martel Instruments Limited ('the company') is engaged in the design, manufacture, assembly and marketing of electronic instrumentation.

The company is a private company limited by shares, incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is given in the company information page of this annual report.

2. Statement of compliance

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including section 1A of Financial Reporting Standard 102 '*The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland*' ('FRS 102'), and the Companies Act 2006.

3. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

3.1 Basis of preparation

The financial statements are prepared on a going concern basis and under the historical cost convention. They are presented in pounds sterling.

Martel Instruments Limited

Notes to the financial statements Year ended 31 December 2020

3. Accounting policies (continued)

3.2 Going concern

The company meets its working capital requirements through its operating cash flows.

The directors have prepared financial forecasts which indicate that the company will maintain sufficient financial headroom to enable it to continue meeting its liabilities as they fall due in the normal course of business for at least the next twelve months following approval of these financial statements.

The company has experienced limited exposure to the impact of the Covid-19 pandemic, both during the year ended 31 December 2020, which saw a comparative improvement in financial performance when compared to the year ended 31 December 2019, and also since the balance sheet date. This has been achieved through a strong order book, resulting in turnover of £4,688,650 (2019: £3,435,044), supported by a diverse supply chain which includes domestic routes of supply.

In line with government guidelines, the company remained open for trading throughout the lockdown periods and continued to trade profitably. The company has not needed to utilise the Coronavirus Job Retention Scheme (CJRS) at any point, nor any other government support, such as the Coronavirus Business Interruption Loan Scheme (CBILS). The company has maintained significant cash headroom throughout the year, with a cash balance of £1,779,620 (2019: £756,998) at the year end. The company has net assets of £6,259,685 (2019: £5,488,494) at the year end.

At the year end, the parent company, Martel Instruments Holdings Limited, has net liabilities of £4,703,407 (£4,219,150). This includes loan notes, accrued interest and other debt owed to funds under the control of Maven Capital Partners UK LLP totalling £6,410,189 (2019: £7,576,929). A group cross guarantee exists over £5,745,548 (2019: £6,260,244) of this debt. Maven Capital Partners UK LLP have confirmed that funding will not be withdrawn to the extent that the company's position as a going concern would be undermined for a period of 12 months following the approval of these financial statements.

After making enquiries, the directors have a reasonable expectation that the company has adequate financial and other resources to continue in operational existence for the foreseeable future. Accordingly, they continue to prepare the financial statements on a going concern basis.

3.3 Revenue

Turnover

Turnover comprises revenue recognised in respect of goods supplied during the year, net of discounts and excluding Value Added Tax.

Interest income

Interest income is recognised on an accruals basis.

Martel Instruments Limited

Notes to the financial statements Year ended 31 December 2020

3. Accounting policies (continued)

3.4 Employee benefits

Short-term benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

Defined contribution pension plan

The company operates a defined contribution pension plan for its employees. Contributions are recognised as an expense when they fall due. Amounts due but not yet paid are included within creditors on the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Share-based payments

The parent company provides share-based payment arrangements to certain employees of the company. The shares to which these options relate are currently held in an Employee Benefit Trust.

Equity-settled arrangements are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity. The amount recognised as an expense is adjusted to reflect the actual number of shares or options that will vest.

There are no cash-settled arrangements.

3.5 Foreign currency

The company's functional currency is the pound sterling. Transactions in foreign currencies are translated into sterling using the spot exchange rates at the dates of the transactions. At each period end, foreign currency monetary assets and liabilities are translated using the closing rate. All foreign exchange gains and losses are recognised in the profit and loss account.

3.6 Research and development

Research and development expenditure is written off to the profit and loss account in the period in which it is incurred.

Martel Instruments Limited

Notes to the financial statements Year ended 31 December 2020

3. Accounting policies (continued)

3.7 Taxation

The taxation expense for the year comprises current and deferred tax and is recognised in the profit and loss account.

Current tax is the amount of income tax payable in respect of the taxable profit for the current or past reporting periods. It is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences arise from the inclusion of transactions and events in the financial statements in periods different from those in which they are assessed for tax.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences.

3.8 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets, other than land, at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their estimated useful lives as follows:

Freehold property	-	2% straight line
Plant and machinery	-	15% - 25% reducing balance or straight line
Other assets	-	15% reducing balance

Asset residual values and useful lives are reviewed at the end of each reporting period, and adjusted if appropriate. The effect of any change is accounted for prospectively.

3.9 Leases

Assets held under finance leases and hire purchase contracts, which confer rights and obligations on the company similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future lease obligations are recorded as liabilities, and the interest elements are charge to the profit and loss account over the period of the leases to produce a constant periodic rate of charge on the remaining balance of the liability.

Leases that do not confer rights and obligations approximating to ownership are classified as operating leases. Rental payments under operating leases are charged to the profit and loss account on a straight-line basis over the lease term, even if payments are not made on such a basis.

Martel Instruments Limited

Notes to the financial statements Year ended 31 December 2020

3. Accounting policies (continued)

3.10 Stocks

Stocks are stated at the lower of cost or estimated selling price less costs to complete and sell. Cost includes all direct costs and, for manufactured stocks and work in progress, an appropriate proportion of fixed and variable overheads (based on normal operating capacity). Cost is determined using the average cost method.

Provision is made as necessary for damaged, obsolete or slow-moving items.

3.11 Financial instruments

Basic debt instruments

The company's basic debt instruments, including trade and other accounts receivable and payable, cash and bank balances, and loans to or from related parties, including fellow group companies, are all due within one year and are measured, initially and subsequently, at the transaction price.

At the end of each reporting period debt financial assets are assessed for impairment, and their carrying value reduced if necessary. Any impairment charge is recognised in the profit and loss account.

Derivative financial instruments

Derivative financial instruments, comprising forward currency contracts, are initially recognised at fair value at the date the contract is entered into and are subsequently remeasured to their fair value at each reporting date. Changes in fair value are recognised in the profit and loss account within administrative expenses.

The company does not currently apply hedge accounting for its forward currency contracts.

4. Employees

The average monthly number of employees, including directors, during the year was 35 (2019: 32).

Martel Instruments Limited

Notes to the financial statements Year ended 31 December 2020

5. Tangible fixed assets

	Freehold property £	Plant and machinery £	Other assets £	Total £
Cost				
At 1 January 2020	536,552	1,214,086	324,200	2,074,838
Additions	12,471	19,466	31,240	63,177
At 31 December 2020	549,023	1,233,552	355,440	2,138,015
Depreciation				
At 1 January 2020	57,352	734,945	202,430	994,727
Charge for the year	10,839	121,055	24,123	156,017
At 31 December 2020	68,191	856,000	226,553	1,150,744
Net book value				
At 31 December 2020	480,832	377,552	128,887	987,271
At 31 December 2019	479,200	479,141	121,770	1,080,111

6. Debtors

	2020 £	2019 £
Trade debtors	147,620	271,058
Amounts owed by group undertakings	3,943,578	3,509,978
Other debtors	118,562	6,638
Prepayments and accrued income	80,641	43,365
Tax recoverable	-	14,634
	4,290,401	3,845,673

Martel Instruments Limited

Notes to the financial statements Year ended 31 December 2020

7. Creditors: amounts falling due within one year

	2020 £	2019 £
Payments received on account	241,014	-
Trade creditors	292,772	110,418
Amounts owed to group undertakings	1,749	-
Corporation tax	3,859	-
Other taxation and social security	25,363	24,093
Net obligations under finance lease and hire purchase contracts	34,455	28,830
Accruals and deferred income	411,044	118,148
	<u>1,010,256</u>	<u>281,489</u>

Obligations under finance lease and hire purchase contracts are secured over the assets to which they relate.

8. Creditors: amounts falling due after more than one year

	2020 £	2019 £
Net obligations under finance lease and hire purchase contracts	<u>84,758</u>	<u>122,084</u>

Obligations under finance lease and hire purchase contracts are secured over the assets to which they relate.

9. Contingent liabilities

The company has given guarantees in respect of some of the borrowings of the parent company, Martel Instruments Holdings Limited. At the year end, these borrowings totalled £6,845,894 (2019: £7,300,992). The guarantees are secured by charges on the company's assets.

10. Capital commitments

At 31 December 2020 the company had no outstanding capital commitments not already provided in these financial statements (2019: £1,284).

Martel Instruments Limited

Notes to the financial statements Year ended 31 December 2020

11. Related party transactions

During the year the company entered into the following transactions with related parties:

	2020 £	2019 £
Non-executive director services received		
Other related parties	<u>20,298</u>	<u>20,370</u>
Services received		
Other related parties	<u>20,000</u>	<u>20,000</u>

Other related parties relate to entities with joint directorship.

The directors of the company are also directors of Martel Instruments EBT Limited (a fellow subsidiary undertaking). EMI share options are in issue within Martel Instruments Holdings Limited (the immediate and ultimate parent undertaking), of which an option to apply to acquire 50,145 £0.10 ordinary shares was granted to one director, and an option to apply to acquire 75,460 £0.10 ordinary shares was granted to another director on 14 June 2018 (subject to the sale of assets and undertakings of the business of Martel Instruments Holdings Limited). No charge has been made in the financial statements as in the opinion of the directors these are not material to the users of the financial statements.

12. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2020 was unqualified.

The audit report was signed on 10th March 2021 by Michael Morris FCCA FCA (Senior Statutory Auditor) for and on behalf of UNW LLP, Statutory Auditor, Newcastle upon Tyne.