Registration number: 01962034

Armfield Limited

Directors' Report and Financial Statements

for the year ended 31 December 2018

Armfield Limited

Company information

Directors	Dr S Gregory (Chairman) Mr D Whitehouse (Managing Director) Mr D Cicurel Mr A Kay Mr M Lavelle Mr B Ormsby
Secretary	Mr G Reece
Company number	01962034
Registered Office	52c Borough High Street London SE1 1XN
Auditor	Grant Thornton UK LLP Statutory Auditor Chartered Accountants Regent House 80 Regent Road Leicester LE1 7NH

Armfield Limited

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Armfield Limited

Directors' report for the year ended 31 December 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Principal activity

The principal activity of the company in the year continued to be that of the design and supply of research and training equipment for use mainly in the fields of water resource engineering, process engineering and food technology. The statement of comprehensive income is set out on page 7 and shows the profit for the year. The directors remain confident in the company's position in the market place and that it will continue to remain strong and profitable through forward looking management and operational planning.

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Directors

The directors who served during the year are as stated below:

Dr S Gregory (Chairman)	
Mr D Whitehouse (Managing Director)	
Mr C Addis	Resigned 31st March 2018
Mr D Cicurel	
Mr A Kay	
Mr M Lavelle	
Mr B Ormsby	
Mr P Gallagher	Resigned 24th May 2018

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

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

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

Armfield Limited

Directors' report for the year ended 31 December 2018

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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is the earlier.

This report was approved by the board on 18 March 2019 and signed on its behalf by:

Mr G Reece
Secretary

Armfield Limited
Company Registration Number: 01962034

Armfield Limited

Strategic report for the year ended 31 December 2018

Principal activity

The principal activity of the company in the year continued to be that of the design and supply of research and training equipment for use mainly in the fields of water resource engineering, process engineering and food technology.

Business review

Turnover for the year ended 31 December 2018 was £10,983,223 (2017: £11,900,051). Profit before tax for the year ended 31 December 2018 was £730,953 (2017: £935,397).

The directors remain confident in the company's position in the market place and that it will continue to remain strong and profitable through forward looking management and operational planning.

Principal risks and uncertainties

The company's customers are located in all parts of the globe and a major part of sales is to enterprises that are state-owned or closely tied to state spending. Accordingly, the prevailing uncertainties in the world economy, and particularly the financial constraints currently affecting many western nations, represent a risk to the company's prospects. In addition, exports are exposed to possible adverse impacts on the international competitiveness of the company's activities caused by fluctuations in exchange rates. The ultimate parent undertaking seeks, so far as is practicable, to mitigate these currency effects through the use of financial instruments.

The company is engaged in a high level of development work, with the attendant risk of technical failure or delays. The directors seek to mitigate this risk through the quality of the company's technical skills base and through its contractual arrangements with its customers.

Financial key performance indicators

The directors consider turnover and profit to be the key performance indicators.

The directors of the company do not consider that non-financial key performance indicators will assist in an understanding of the business.

This report was approved by the board on 18 March 2019 and signed on its behalf by:

Mr G Reece
Secretary

Armfield Limited
Company Registration Number: 01962034

Independent Auditor's Report to the members of Armfield Limited

Opinion

We have audited the financial statements of Armfield Limited (the 'company') for the year ended 31 December 2018 which comprise the statement of comprehensive income, the balance sheet, statement of changes in equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework', The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditor's Report to the members of Armfield Limited

Other information
The directors are responsible for the other information. The other information comprises the information included in the Strategic report and Directors' report set out on pages 1 to 3, but does not include the financial statements and our auditor's report thereon. 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. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Armfield Limited

Independent Auditor's Report to the members of Armfield Limited

Responsibilities of directors for the financial statements
As explained more fully in the directors' responsibilities statement set out on pages 1 and 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Alison Seekings
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leicester
18 March 2019

Armfield Limited

Statement of comprehensive income for the year ended 31 December 2018

	Notes	2018 £	2017 £
Turnover	1	**10,983,223**	**11,900,051**
Raw materials and consumables		**(5,877,997)**	**(6,722,405)**
Other external charges		**(2,022,956)**	**(1,885,214)**
Staff costs	2	**(2,485,726)**	**(2,598,114)**
Depreciation		**(73,643)**	**(82,096)**
Other operating income		**261,263**	**382,795**
Operating profit	3	**784,164**	**995,017**
Pension Scheme finance costs		**(54,000)**	(60,000)
Profit on ordinary activities before interest and taxation		**730,164**	935,017
Interest receivable and similar income		**789**	380
Profit on ordinary activities before taxation		**730,953**	935,397
Tax on profit on ordinary activities	4	**(41,186)**	1,476
Profit for the financial year		**689,767**	936,873
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Retirement benefits actuarial gain/(loss)		**168,490**	(195,090)
Other comprehensive income for the year, net of tax		**168,490**	(195,090)
Total comprehensive income for the year		**858,257**	741,783

All of the activities of the company are classed as continuing.

The accompanying notes form an integral part of these financial statements.

Armfield Limited

Balance sheet as at 31 December 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	5		89,200		136,483
Investments	6		187,153		187,153
			276,353		323,636
Current assets					
Stocks	7	1,903,241		1,466,672	
Debtors	8	1,332,403		1,925,555	
Cash at bank and in hand		1,519,077		905,660	
		4,754,721		4,297,887	
Creditors: amounts falling due within one year	9	(2,161,085)		(1,950,424)	
Net current assets			2,593,636		2,347,463
Total assets less current liabilities			2,869,989		2,671,099
Creditors: amounts falling due after more than one year	10		(180,000)		(180,000)
Deferred tax	11		43,869		54,052
Total net assets excluding pension liability			2,733,858		2,545,151
Net pension liability	12		(1,523,880)		(1,843,430)
Total net assets			1,209,978		701,721
Capital and reserves					
Called up share capital	13		101,818		101,818
Share premium			726,182		726,182
Profit and loss account			381,978		(126,279)
Shareholders' funds - all equity			1,209,978		701,721

The financial statements were approved by the board of directors on 18 March 2019 and signed on its behalf by:

Mr B Ormsby
Director

The accompanying notes form an integral part of these financial statements.

Armfield Limited

Statement of changes in equity for the year ended 31 December 2018

	Share capital	Share premium	Profit and loss account	Total equity
	£	£	£	£
Balance at 1 January 2018	**101,818**	**726,182**	**(126,279)**	**701,721**
Dividend payable	-	-	(350,000)	(350,000)
Transactions with owners	**-**	**-**	**(350,000)**	**(350,000)**
Profit for the year	-	-	689,767	689,767
Actuarial gain recognised on defined benefit pension scheme	-	-	203,000	203,000
Deferred tax relating to actuarial gain on pension scheme	-	-	(34,510)	(34,510)
Total comprehensive income for the year	**-**	**-**	**858,257**	**858,257**
Balance at 31 December 2018	**101,818**	**726,182**	**381,978**	**1,209,978**
Balance at 1 January 2017	**101,818**	**726,182**	**(268,062)**	**559,938**
Dividend payable	-	-	(600,000)	(600,000)
Transactions with owners	-	-	**(600,000)**	**(600,000)**
Profit for the year	-	-	936,873	936,873
Actuarial loss recognised on defined benefit pension scheme	-	-	(199,000)	(199,000)
Deferred tax relating to actuarial loss on pension scheme	-	-	3,910	3,910
Total comprehensive income for the year	**-**	**-**	**741,783**	**741,783**
Balance at 31 December 2017	**101,818**	**726,182**	**(126,279)**	**701,721**

Armfield Limited

Statement of accounting policies

General information

Armfield Limited is a company limited by shares. It was incorporated in England and its registered office is 52c Borough High Street, London, SE1 1XN. The principal activity of the company during the year was that of the design and supply of research and training equipment for use mainly in the fields of water resource engineering, process engineering and food technology.

Statement of compliance

The financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework' and are presented in Sterling (£).

Basis of preparation

The company meets the definition of a qualifying entity under FRS 101. The financial statements have therefore been prepared in accordance with FRS 101 as issued by the Financial Reporting Council.

As permitted by FRS 101, for both periods presented, the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of a cash flow statement, share based payments, fair value measurements, comparative reconciliations for tangible and intangible assets, standards not yet effective, related party transactions with other wholly-owned members of the group and key management personnel compensation. Equivalent disclosures are, where required, given in the group accounts of Judges Scientific plc. The group accounts of Judges Scientific plc are available to the public.

The financial statements have been prepared on the historical cost basis.

Use of accounting estimates and judgements

Many of the amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation is contained in the accounting policies and/or the notes to the financial statements and the key areas are summarised below:

Judgements in applying accounting policies

- The directors must judge whether all of the conditions required for revenue to be recognised in the statement of comprehensive income of the financial year, as set out below, have been met.
- Research and development: The directors make judgement as to whether all of the conditions required for assets to be recognised have been met.

Sources of estimation uncertainty

- Stock is carried at the lower of cost and net realisable value which requires an estimation of products' future selling prices. A provision is also recorded to reduce any slow-moving, obsolete or demonstration stock to net realisable value.
- Depreciation rates are based on estimates of the useful lives and residual values of the assets involved;
- Warranty provisions are based on estimates of the likely cost of repairing or replacing faulty units.
- The carrying value of investments is assessed based on the current trading performance, the expected future performance and net assets of the investment.

The principal accounting policies are set out below.

Armfield Limited

Statement of accounting policies

Turnover

The company has adopted the revenue standard IFRS 15 'Revenue from Contracts with Customers' from its effective date of 1 January 2018. The only changes to recognition are for large, complex instruments which require highly specialised installation. Under the previous revenue standard, these were recognised as revenue upon shipment; under the new standard, recognition is deferred until installation is completed. There is no material impact on the Statement of Comprehensive Income for the year ended 31 December 2018 and there has been no restatement of the comparative period.

In accordance with IFRS 15, turnover is measured by reference to the fair value of consideration received or receivable by the company, excluding value added tax, in exchange for transferring the promised goods or services to the customer. The consideration is allocated to each separate performance obligation that is identified in a sales contract, based on stand-alone selling prices. Sales of instruments and spares, and sales of services, such as installation, support, training or consultancy, are assessed to be separate performance obligations.

Revenue is recognised when (or as) the company satisfies the identified performance obligation. For sales of instruments and spares, the performance obligation is satisfied at a point in time; for revenue from services, the performance obligation is satisfied over time.

Revenue from sales of instruments and spares is recognised at the point at which the customer obtains control of the asset, which is on the point of despatch to the customer. For large, complex instruments which require highly specialised installation, revenue is recognised at the point at which installation is completed.

Revenue from services is recognised when the service is performed.

Tangible fixed assets and depreciation

Fixed assets are initially recorded at cost. Depreciation is provided at annual rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Demonstration equipment:	50% straight line on cost
Computer equipment:	33% straight line on cost
Fixtures, fittings and equipment:	15% straight line on cost
Motor vehicles:	25% straight line on cost

Leasing

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Stock

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity.

Armfield Limited

Statement of accounting policies

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.

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.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the rate of exchange prevailing at the date of transaction. All differences are taken to the profit and loss account.

Taxation

Current tax is the tax currently payable based on taxable profit for the year.

Deferred taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries is not provided if reversal of those temporary differences can be controlled by the group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the statement of comprehensive income, except:

- where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity, or
- where items are recognised in other comprehensive income, in which case the related deferred tax is recognised in other comprehensive income.

Research and development

Research and development expenditure is recognised in the profit and loss account as an expense as incurred until it can be demonstrated that the conditions for capitalisation under IAS 38 apply.

The criteria for capitalisation include demonstration that the project is technically and commercially feasible, the company has sufficient resources to complete development and the asset will generate probable future economic benefit.

Provisions for warranty claims

Provisions for warranty claims are recognised when; the company has a 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 the amount has been reliably estimated. Provisions are discounted where the time value of money is material.

Investments

Fixed asset investments are stated at cost less provision for impairment.

Group accounts

These financial statements contain information about Armfield Limited as an individual company and do not contain consolidated information as the parent of a group. The company is entitled to an exemption under Section 400 of the Companies Act 2006 from the obligation to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Judges Scientific plc, a company registered in the UK.

Post employment benefit plans

Defined benefit plans
Under the Company's defined benefit plans, the amount of pension benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Company, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies.

The liability recognised in the balance sheet for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets.

Management estimates the DBO annually with the assistance of independent actuaries. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs. Gains and losses resulting from remeasurements of the net defined benefit liability are included in other comprehensive income.

Defined contribution plans
The company operates a defined contribution pension scheme for the benefit of employees joining the company after 31 December 2000. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Equity

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares.
- "Share premium" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- "Profit and loss account" represents retained profits and losses.

1. REVENUE

Turnover attributable to geographical markets outside the United Kingdom amounted to 95% for the year (2017: 93%).

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2018	2017
Staff costs (including directors)	**£**	£
Wages and salaries	**2,034,918**	2,128,753
Social security costs	**195,289**	211,919
Other pension costs	**255,519**	257,442
	2,485,726	2,598,114
Average number of persons employed:	**No**	No
Directors	**8**	8
Sales and administration	**53**	53
	61	61
Directors' emoluments:	**£**	£
Emoluments	**269,295**	418,291
Defined contribution pension scheme contributions	**27,113**	33,119
	296,408	451,410

During the year three directors participated in a money purchase pension scheme (2017: three).

Emoluments of the highest paid director:	**£**	£
Emoluments	**113,329**	113,059
Defined contribution pension scheme contributions	**13,134**	-
	126,463	113,059

Armfield Limited

Notes to the financial statements for the year ended 31 December 2018

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):	2018 £	2017 £
Depreciation of owned fixed assets	73,643	82,096
Auditor's remuneration - audit	11,000	11,000
Research and development	607,091	686,122
Foreign exchange	(266,847)	(383,822)
Operating lease rentals - land and buildings	109,000	109,000
Operating lease rentals - other	7,444	8,444

Fees paid to the company's auditor for services other than the statutory audit of the company are not disclosed in these accounts since the consolidated accounts of its ultimate parent undertaking, Judges Scientific plc, are required to disclose non-audit fees on a consolidated basis.

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of charge/(credit) in year:	2018 £	2017 £
Current tax		
Current tax on profits for the year	64	-
Adjustment in respect of prior years	-	15,684
Total current tax	64	15,684
Deferred tax		
Current tax on profits for the year	30,087	54,786
Adjustment in respect of previous periods	14,131	(65,552)
Effect of changes in tax rates	(3,096)	(6,394)
	41,122	(17,160)
Tax per income statement	41,186	(1,476)
Other comprehensive income items		
Deferred tax current year charge/(credit)	34,510	(33,830)

The credit for the year can be reconciled to the profit per the income statement as follows:

Analysis of charge/(credit) in year:	2018 £	2017 £
Profit on ordinary activities before tax	730,953	935,397
Tax on profit at standard UK tax rate of 19% (2017: 19.25%)	138,881	180,032
Effect of:		
Expenses not deductible	258	1,235
Tax rate changes	(3,096)	(6,394)
R&D tax relief	(108,988)	(126,481)
Adjustments in respect of prior years	14,131	(49,868)
Tax per income statement	41,186	(1,476)

5. TANGIBLE FIXED ASSETS

	Motor vehicles	Furniture and equipment	Computer equipment	Total
	£	£	£	£
Cost				
At 1 January 2018	223,703	393,523	163,412	780,638
Additions	-	19,604	6,756	26,360
At 31 December 2018	**223,703**	**413,127**	**170,168**	**806,998**
Depreciation				
At 1 January 2018	154,638	358,106	131,411	644,155
Charge for the period	37,191	17,319	19,133	73,643
At 31 December 2018	**191,829**	**375,425**	**150,544**	**717,798**
Net book values				
At 31 December 2018	**31,874**	**37,702**	**19,624**	**89,200**
At 31 December 2017	69,065	35,417	32,001	136,483

6. FIXED ASSET INVESTMENTS

Subsidiary undertakings	**£**
Net book value - 1 January 2018 and 31 December 2018	187,153

The original investment in 'Armfield' companies was £1,455,153. The investments in those companies above is net of an impairment in value of £1,268,000 which arose following a transfer to the company of the business, assets and liabilities of Armfield Technical Education Company Limited and was charged to the profit and loss account in the year ended 31 December 1989.

Undertaking	**Holding**	**Proportion of voting rights and shares held**	**Principal activity**
Subsidiary undertakings			
Armfield Inc (incorporated in USA)	Ordinary	100%	Distribution of research and training equipment
Armfield Technical Education Company Limited	Ordinary	100%	Dormant

7. STOCK

	2018	2017
	£	£
Components	**1,109,527**	695,450
Finished goods	**793,714**	771,222
	1,903,241	1,466,672

In 2018, a total of £5,877,997 of inventories was included in the statement of comprehensive income as an expense (2017: £6,722,405). This includes a credit of £44,532 (2017: charge of £71,252) resulting from write-downs of inventories. All inventories form part of the assets pledged as security in respect of bank loans.

8. DEBTORS

	2018	2017
	£	£
Trade debtors	**1,174,816**	1,560,431
Amounts owed by group companies	-	38,248
Other debtors	**76,580**	74,010
Corporation tax receivable	-	160,106
Prepayments	**81,007**	92,760
	1,332,403	1,925,555

Trade debtors are stated after a provision of £10,352 (2017: £4,768).

9. CREDITORS

	2018	2017
	£	£
Amounts falling due within one year		
Trade creditors	**483,167**	613,014
Amounts owed to group companies	**679,876**	977
Other creditors	**15,247**	4,920
Social security and other taxes	**81,485**	56,881
Corporation tax payable	**63**	-
Accruals and deferred income	**901,247**	1,274,632
	2,161,085	1,950,424

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018	2017
	£	£
Amounts owed to group undertakings	**180,000**	180,000

11. DEFERRED TAX

	£
At 1 January 2018	54,052
Credit in the year	3,948
Prior year adjustment	(14,131)
At 31 December 2018	43,869

The amounts provided in respect of deferred taxation are computed at the rate of 17% (2017: 17%) and relate to accelerated capital allowances.

12. PENSION SCHEMES

Defined contribution pension scheme
The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £258,172 (2017: £257,442).

Defined benefit pension scheme
The company operates a pension scheme providing benefits based on final pensionable pay. The most recent triennial actuarial valuation was performed by an independent actuary for the trustees of the scheme and was carried out on 31 March 2017.

The scheme has been closed to new members from 2001 and closed to new accrual in 2006. The average duration of the plan's liabilities has been calculated to be approximately 16 years. The trustees are drawn partly from Armfield's employees and also from nominees of the Judges Group

Contributions payable to the pension scheme at the end of the year are £nil (2017: £nil).

The total contributions in the next year are expected to be £236,000 (2017: £236,000).

Reconciliation of scheme assets and liabilities to assets and liabilities recognised
The amounts recognised in the balance sheet are as follows:

	2018	2017
	£	£
Fair value of plan assets	**5,612,000**	5,983,000
Present value of defined benefit obligation	**(7,448,000)**	(8,204,000)
Deficit in scheme	**(1,836,000)**	(2,221,000)
Deferred tax	**312,120**	377,570
Net retirement benefit obligation	**(1,523,880)**	(1,843,430)

12. PENSION SCHEMES (continued)

Scheme assets Changes in the fair value of plan assets:	**2018** **£**	2017 £
At start of year	**5,983,000**	5,759,000
Interest income	**146,000**	156,000
Return on plan assets (excluding amounts in interest income)	**(301,000)**	326,000
Contributions by the company	**236,000**	236,000
Benefits paid	**(452,000)**	(494,000)
At end of year	**5,612,000**	5,983,000

The actual return on plan assets of the period ending 31 December 2018 was £155,000 (2017: £482,000).

Scheme liabilities Changes in the fair value of defined benefit pension obligations:	**2018** **£**	2017 £
At start of year	**8,204,000**	7,957,000
Interest expense	**200,000**	216,000
Actuarial losses due to scheme experience	**-**	187,000
Actuarial gains due to changes in demographic assumptions	**(50,000)**	(89,000)
Actuarial (gains)/losses due to financial assumptions	**(454,000)**	427,000
Benefits paid	**(452,000)**	(494,000)
At end of year	**7,448,000**	8,204,000

There were no plan amendments, curtailments or settlements in above years.

Analysis of assets	**2018** **£**	2017 £
Quoted equities	**2,801,000**	3,111,000
Bonds	**2,276,000**	2,359,000
Property	**494,000**	473,000
Cash and other assets	**41,000**	40,000
	5,612,000	5,983,000

12. PENSION SCHEMES (continued)

Principal actuarial assumptions	2018	2017
	%	%
Discount rate	**2.80**	2.50
Inflation rate	**3.30**	3.20
In payment pension increases	**3.40**	3.40
In deferment pension increases	**5.00**	5.00

The mortality assumptions used in valuing the liabilities of the plan are based 100% on the standard tables S2PxA, projected using the CMI 2017 model with a 1.00% per annum long term rate of improvement.

The life expectancies assumed are as follows:

	Life expectancy at age 65 (years)
Male retiring in 2018	21.8
Female retiring in 2018	23.7
Male retiring in 2038	22.8
Female retiring in 2038	24.9

Sensitivity
The significant actuarial assumptions in determining the defined benefit obligation are the discount rate, the rate of mortality and rate of inflation. Changes to these actuarial assumptions may impact this obligation as follows:

	Change in liabilities
	£
Discount rate – decrease by 0.25% per annum	**372,000**
Mortality rate – increase of one year in life expectancy	**283,000**

The above shows the impact on the defined benefit obligation if the assumptions were changed as shown (assuming all other assumptions remain constant). There is zero sensitivity to inflation due to the nature of the scheme. The sensitivity analysis may not be representative of the actual change in the obligation as it is unlikely that any change in assumption would happen in isolation.

Risk management
There is a risk that changes in discount rates, price inflation, asset returns and/or mortality assumptions could lead to a materially greater deficit. Given the long term time horizon of the pension plan cash flows, the assumptions used are uncertain. The assumptions can also be volatile from year to year due to changes in investment market conditions. A higher pension deficit could directly impact the Group's equity valuation, credit rating and may lead to additional funding requirements in future years. Any deficit relative to the actuarial liability for funding purposes, which may differ from the funding position on an accounting basis, will generally be financed over a period that ensures the contributions are reasonably affordable to the Group and in line with local regulations.

13. CALLED UP SHARE CAPITAL

	2018	2017
	£	£
Allotted, called up and fully paid		
101,818 Ordinary shares of £1 each	**101,818**	101,818

14. OPERATING LEASE COMMITMENTS

	2018	2017
	£	£
Operating lease payments expensed during the year:		
Land and property	**109,000**	109,000
Other	**7,444**	8,444
	116,444	117,444
Minimum operating lease commitments falling due:		
Within one year		
Land and property	**109,000**	109,000
Other	**7,970**	7,891
	116,970	116,891
Between one and five years		
Land and property	**436,000**	244,000
Other	**18,584**	26,439
	454,584	270,439
More than five years		
Land and property	**429,000**	90,000
Other	**-**	153
	429,000	90,153

15. RELATED PARTY TRANSACTIONS

C Addis and S Farrow (former Directors)
During the year the group paid rent to the wives of the former directors which amounted to £64,000 (2017: £64,000).

As a wholly owned subsidiary of Judges Scientific plc, the company is exempt from the requirements of FRS101 to disclose transactions within the group.

16. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking of this company is Judges Scientific plc, which is incorporated in England and Wales. The only group undertaking for which consolidated accounts are prepared is that headed by Judges Scientific plc. Bank loans advanced to or guaranteed by Judges Scientific plc amounting at 31 December 2018 to £14,836,000 (2017: £18,072,000) are secured on the company's assets.