

Registered number: 02514788

# **SGS Cambridge Limited**

**Annual report**

**31 December 2021**



## **SGS Cambridge Limited**

### **Company information**

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<b>Directors</b>	M Boyd (appointed 6 January 2021) J McGurk (appointed 6 January 2021) M Carnegie-Brown (resigned 6 January 2021) S F A Horder (resigned 6 January 2021)
<b>Registered number</b>	02514788
<b>Registered office</b>	Rossmore Business Park Ellesmere Port Cheshire CH65 3EN
<b>Independent auditor</b>	UNW LLP Chartered Accountants Citygate St James Boulevard Newcastle upon Tyne NE1 4JE

# SGS Cambridge Limited

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## SGS Cambridge Limited

### Directors' report Year ended 31 December 2021

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The directors present their report and the financial statements for the year ended 31 December 2021.

#### Directors

The directors who served during the year were:

M Boyd (appointed 6 January 2021)  
J McGurk (appointed 6 January 2021)  
M Carnegie-Brown (resigned 6 January 2021)  
S F A Horder (resigned 6 January 2021)

#### Qualifying third party indemnity provisions

The company has made qualifying third-party indemnity provisions for the benefit of its directors which remain in force at the time of this report.

#### Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

#### Auditor

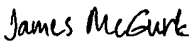
UNW LLP were appointed as auditor on the 16 March 2021.

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and UNW LLP will therefore continue in office.

#### Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 13 May 2022 and signed on its behalf by:

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**J McGurk**  
Director

## **SGS Cambridge Limited**

### **Directors' responsibilities statement Year ended 31 December 2021**

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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 year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 judgments and accounting estimates that are reasonable and prudent;
- 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 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 to 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.



## **Independent auditor's report to the members of SGS Cambridge Limited**

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### **Opinion**

We have audited the financial statements of SGS Cambridge Limited (the 'company') for the year ended 31 December 2021, which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes, 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 102 '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 2021 and of its loss 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

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



## **Independent auditor's report to the members of SGS Cambridge Limited (continued)**

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### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinion 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.



## **Independent auditor's report to the members of SGS Cambridge Limited (continued)**

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### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 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.

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

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the directors and other management (as required by Auditing Standards) and from inspection of the company's legal correspondence and we discussed with the directors and other management the policies and procedures regarding compliance with the laws and regulations. We communicated identified laws and regulations within our audit team and remained alert to any indications of non-compliance throughout the audit.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we have assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines and litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law, data protection, environmental law and certain aspects of company legislation, recognising the nature of the company's activities. Auditing Standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we have not become aware of any actual or suspected non-compliance material to the financial statements.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.





## **Independent auditor's report to the members of SGS Cambridge Limited (continued)**

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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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Other matters**

In forming our opinion on the financial statements, which is not modified, we note that the prior year financial statements were not audited. Consequently, International Standards on Auditing (UK) require the auditor to state that the corresponding figures contained within these financial statements are unaudited.

### **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.

A handwritten signature in black ink, appearing to read 'M. Morris'.

**Michael Morris FCA FCCA (Senior Statutory Auditor)**  
**for and on behalf of UNW LLP**  
Chartered Accountants  
Newcastle upon Tyne

13 May 2022

## SGS Cambridge Limited

### Statement of comprehensive income Year ended 31 December 2021

	Continuing operations 2021 £	Discontinued operations 2021 £	Total 2021 £	Continuing operations (as restated) 2020 £	Discontinued operations 2020 £	Total (as restated) 2020 £
<b>Profit and loss account</b>						
Turnover	6,140,347	-	6,140,347	5,728,307	1,699,924	7,428,231
Cost of sales	(4,659,839)	-	(4,659,839)	(4,310,156)	(1,017,972)	(5,328,128)
<b>Gross profit</b>	<b>1,480,508</b>	<b>-</b>	<b>1,480,508</b>	<b>1,418,151</b>	<b>681,952</b>	<b>2,100,103</b>
Distribution costs	-	-	-	(221,682)	-	(221,682)
Administrative expenses	(1,938,630)	-	(1,938,630)	(2,240,651)	(1,360,444)	(3,601,095)
Exceptional administrative expenses	-	-	-	(88,807)	-	(88,807)
Other operating income	-	-	-	-	33,750	33,750
<b>Operating loss</b>	<b>(458,122)</b>	<b>-</b>	<b>(458,122)</b>	<b>(1,132,989)</b>	<b>(644,742)</b>	<b>(1,777,731)</b>
Income from shares in group undertakings	-	-	-	440,050	-	440,050
Interest payable and similar expenses	(23,527)	-	(23,527)	(147,042)	(52,434)	(199,476)
<b>Loss before tax</b>	<b>(481,649)</b>	<b>-</b>	<b>(481,649)</b>	<b>(839,981)</b>	<b>(697,176)</b>	<b>(1,537,157)</b>
Tax on loss	258,517	-	258,517	(442,380)	-	(442,380)
<b>Loss for the financial year</b>	<b>(223,132)</b>	<b>-</b>	<b>(223,132)</b>	<b>(1,282,361)</b>	<b>(697,176)</b>	<b>(1,979,537)</b>

On 1 October 2020, the company disposed of a division of its trade and assets to CLS Analytics Limited resulting in discontinued operations.

There was no other comprehensive income for 2021 (2020: £nil).

The notes on pages 11 to 22 form part of these financial statements.

# SGS Cambridge Limited

## Balance sheet At 31 December 2021

	Note	2021 £	2020 (as restated) £
<b>Fixed assets</b>			
Tangible assets	6	1,020,076	1,277,343
		<u>1,020,076</u>	<u>1,277,343</u>
<b>Current assets</b>			
Stocks	8	162,964	293,441
Deferred tax asset	9	710,333	467,341
Debtors	9	1,205,074	1,372,603
Cash at bank and in hand		1,603,674	270,870
		<u>3,682,045</u>	<u>2,404,255</u>
Creditors: amounts falling due within one year	10	(2,833,406)	(2,711,566)
<b>Net current assets/(liabilities)</b>		<u>848,639</u>	<u>(307,311)</u>
<b>Total assets less current liabilities</b>		<u>1,868,715</u>	<u>970,032</u>
Creditors: amounts falling due after more than one year	11	(1,001,782)	-
<b>Provisions for liabilities</b>			
Provisions		(199,000)	(78,967)
<b>Net assets</b>		<u>667,933</u>	<u>891,065</u>
<b>Capital and reserves</b>			
Called up share capital		216,825	216,825
Share premium account		428,502	428,502
Profit and loss account		22,606	245,738
<b>Total equity</b>		<u>667,933</u>	<u>891,065</u>


## SGS Cambridge Limited

### Balance sheet (continued) At 31 December 2021

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 May 2022.

DocuSigned by:  
  
2195605C57F44D0...  
**J McGurk**  
Director

Company registered number: 02514788

The notes on pages 11 to 22 form part of these financial statements.

## SGS Cambridge Limited

### Statement of changes in equity Year ended 31 December 2021

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>At 1 January 2020</b>	<b>47,458</b>	<b>428,502</b>	<b>(15,522,354)</b>	<b>(15,046,394)</b>
Loss for the year and total comprehensive loss (as restated)	-	-	(1,979,537)	(1,979,537)
Dividends	-	-	(1,314,572)	(1,314,572)
Shares issued during the year	19,231,568	-	-	19,231,568
Capital reduction	(19,062,201)	-	19,062,201	-
<b>At 1 January 2021</b>	<b>216,825</b>	<b>428,502</b>	<b>245,738</b>	<b>891,065</b>
Loss for the year and total comprehensive loss	-	-	(223,132)	(223,132)
<b>At 31 December 2021</b>	<b>216,825</b>	<b>428,502</b>	<b>22,606</b>	<b>667,933</b>

The notes on pages 11 to 22 form part of these financial statements.

# SGS Cambridge Limited

## Notes to the financial statements Year ended 31 December 2021

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### 1. General information

SGS Cambridge Limited (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 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.

The company has adopted FRS 102 in the current year and an explanation of how the transition to FRS 102 has affected the reported financial performance and position is given in note 16.

#### 3.1 Basis of preparation of financial statements

These statements are the company's separate financial statements. The company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements, on the basis that it itself is a subsidiary undertaking and is included in the consolidated financial statements of its parent undertaking, SGS SA, which are publicly available.

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

#### 3.2 Going concern

The company meets its working capital requirements through its cash resources and operating cash flows supported by funding facilities.

The financial forecasts prepared and post year end trading performance 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. Notwithstanding any further potential ongoing impact on the company's financial performance and position beyond that already anticipated by the forecasts, the company maintains net funds, working capital and confirmed funding facilities which the directors consider are sufficient to fully mitigate the risks which remain due to the current economic environment. The directors have also considered the letter of support provided by SGS SA, confirming that they will provide all required support to the business for a period of 12 months from the approval of the financial statements.

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.

## **SGS Cambridge Limited**

### **Notes to the financial statements Year ended 31 December 2021**

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#### **3. Accounting policies (continued)**

##### **3.3 Revenue recognition**

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance and is measured at the fair value of the consideration receivable, excluding discounts, rebates and VAT. Revenue is recognised on the following bases:

###### ***Turnover***

Revenue from the sale of goods is classified within turnover and is recognised when the significant risks and rewards of ownership have passed to the buyer, usually on despatch of the goods, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

###### ***Interest income***

Interest income is recognised on an accruals basis.

##### **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.

##### **3.5 Foreign currency**

The company's functional and presentation currency is the pound sterling. Transactions in foreign currencies are translated into sterling using periodic averages that approximate to 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. Foreign exchange gains and losses are recognised in the profit and loss account.

# SGS Cambridge Limited

## Notes to the financial statements Year ended 31 December 2021

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### 3. Accounting policies (continued)

#### 3.6 Taxation

The taxation expense for the year comprises current and deferred tax and is recognised in the profit and loss account except to the extent that it relates to items recognised in other comprehensive income, or directly in equity, in which case the tax expense is also recognised in other comprehensive income or directly in equity.

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.

#### 3.7 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

#### 3.8 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the purchase price plus any further costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset on a systematic basis over its expected useful life as follows:

Leasehold improvements	-	5 to 15 years straight line
Plant and machinery	-	5 - 10 years straight line
Fixtures and fittings	-	5 years straight line

#### 3.9 Stocks

Stocks are stated at the lower of cost and net realisable value. Raw material cost is calculated using the first-in, first-out (FIFO) method and includes the purchase price (including taxes and duties) and transport and handling costs directly attributable to bringing the stock to its present location.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.



# SGS Cambridge Limited

## Notes to the financial statements Year ended 31 December 2021

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### 3. Accounting policies (continued)

#### 3.10 Provisions for liabilities

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

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

When payments are eventually made, they are charged to the provision carried in the balance sheet.

#### 3.11 Leases

All of the company's leasing arrangements are 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.

#### 3.12 Financial instruments

The company only enters into financial instruments transactions that result in the recognition of basic debt financial assets and liabilities like trade and other accounts receivable and payable, cash and bank balances and loans to or from related parties, including fellow group companies. All such instruments are 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.

### 4. Employees

The average monthly number of employees, including directors, during the year was 81 (2020: 143).

### 5. Exceptional items

	2021 £	2020 £
Legal fees on business separation	-	88,807

The exceptional items in the prior year relate to the closure of the ADS Environmental business.

## SGS Cambridge Limited

### Notes to the financial statements Year ended 31 December 2021

#### 6. Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 January 2021 (as previously stated)	1,063,993	1,322,748	327,916	2,714,657
Prior Year Adjustment	-	1,331,105	(170,153)	1,160,952
At 1 January 2021 (as restated)	1,063,993	2,653,853	157,763	3,875,609
Additions	43,043	73,767	2,547	119,357
At 31 December 2021	1,107,036	2,727,620	160,310	3,994,966
<b>Depreciation</b>				
At 1 January 2021 (as previously stated)	958,204	300,301	177,554	1,436,059
Prior Year Adjustment	-	1,225,099	(62,892)	1,162,207
At 1 January 2021 (as restated)	958,204	1,525,400	114,662	2,598,266
Charge for the year	35,167	318,153	23,304	376,624
At 31 December 2021	993,371	1,843,553	137,966	2,974,890
<b>Net book value</b>				
At 31 December 2021	113,665	884,067	22,344	1,020,076
At 31 December 2020 (as restated)	105,789	1,128,453	43,101	1,277,343

The opening cost and accumulated depreciation have been restated by £1,160,952 and £1,162,207 respectively, due to incorrect presentation in the prior year accounts. In addition, due to the transition to FRS 102, right of use assets with net book value of £815,994 at 31 December 2020 have been derecognised.

The net book value of land and buildings may be further analysed as follows:

	2021 £	2020 £
Short leasehold	113,665	105,789

## SGS Cambridge Limited

### Notes to the financial statements Year ended 31 December 2021

#### 7. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2021	552,999
Disposals	(552,998)
At 31 December 2021	1
<b>Impairment</b>	
At 1 January 2021	552,999
Impairment on disposals	(552,998)
At 31 December 2021	1
<b>Net book value</b>	
At 31 December 2021	-
At 31 December 2020	-

#### Subsidiary undertakings

The following were subsidiary undertakings of the company. The investments in SAL Food Limited and SAL Laboratories Limited were disposed of in the year, and have since been dissolved. The address of Scientific Analysis Laboratories Limited is the same registered office as the company, given in the company information page of this annual report.

Name	Class of shares	Holding
Scientific Analysis Laboratories Limited	Ordinary	100%
SAL Food Limited	Ordinary	100%
SAL Laboratories Limited	Ordinary	100%

## SGS Cambridge Limited

### Notes to the financial statements Year ended 31 December 2021

#### 8. Stocks

	2021 £	2020 £
Raw materials and consumables	<b>162,964</b>	293,441

Stocks are stated after provisions for impairment of £nil (2020: £nil). The stock balance written off in the year is £1,396 (2020: £nil).

#### 9. Debtors

	2021 £	2020 (as restated) £
<b>Due after more than one year</b>		
Deferred tax asset	<b>710,333</b>	467,341
	<b>710,333</b>	467,341
<b>Due within one year</b>		
Trade debtors	<b>980,657</b>	1,167,132
Amounts owed by group undertakings	<b>43,331</b>	117,088
Prepayments and accrued income	<b>160,561</b>	88,383
Deferred taxation	<b>20,525</b>	-
	<b>1,205,074</b>	1,372,603

Trade debtors are stated after provisions for impairment of £148,931 (2020: £85,816). The impairment charge for the year, included within administrative expenses totalled £74,660 (2020: reversal of £3,494).

## SGS Cambridge Limited

### Notes to the financial statements Year ended 31 December 2021

#### 10. Creditors: Amounts falling due within one year

	2021 £	2020 (as restated) £
Bank overdrafts	8,181	-
Trade creditors	587,586	319,269
Amounts owed to group undertakings	2,004,656	1,778,342
Corporation tax	41,108	-
Other taxation and social security	77,555	147,503
Accruals and deferred income	114,320	466,452
	<u>2,833,406</u>	<u>2,711,566</u>

Amounts due to group undertakings are unsecured and repayable on demand.

#### 11. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Amounts owed to group undertakings	1,001,782	-
	<u>1,001,782</u>	<u>-</u>

The amount owed to group undertakings is repayable in July 2023. This loan is unsecured and accrues interest at 3.72%.

#### 12. Provisions

	Dilapidations £
At 1 January 2021	78,967
Charged to profit or loss	120,033
<b>At 31 December 2021</b>	<u><b>199,000</b></u>

The dilapidation provision relates to potential liabilities for dilapidations on leased properties at the point of exit.

# SGS Cambridge Limited

## Notes to the financial statements Year ended 31 December 2021

### 13. Prior year adjustment

The 2020 accruals balance has been restated by £388,688, due to the omission of payables invoiced after year end, and holiday pay which had not been accrued for. The cost of sales balance has been restated by £349,000 and the administrative expense balance has been restated by £39,688.

The 2020 trade debtors balance has been restated by £73,816 due to the incorrect calculation of the bad debt provision. The administrative expenses balance within the profit and loss account has also been restated by an equivalent amount.

Following the restatement, the loss for the year ended 31 December 2020 has increased from £1,899,541 to £2,362,671. The net assets have correspondingly decreased from £1,408,864 to £945,734. This does not affect the comparability of the financial statements.

### 14. Commitments under operating leases

At 31 December 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	165,953	165,953
Later than 1 year and not later than 5 years	585,572	614,912
Later than 5 years	11,384	147,997
	<u>762,909</u>	<u>928,862</u>

### 15. Related party transactions

As the company is a wholly-owned subsidiary of SGS Holding UK Limited, the company has taken advantage of the exemption contained in FRS 102 from disclosure of related party transactions with and between wholly-owned subsidiaries and has therefore not disclosed transactions or balances with wholly-owned subsidiaries which form part of the group.

### 16. Controlling party

On 5 January 2021 the company was acquired by SGS Holding UK Limited who is the immediate parent company. The ultimate parent company and controlling party, the only group to consolidate these financial statement, is SGS SA, a company incorporated in Switzerland. The registered office of SGS SA is 1 Place des Alpes, B.P.2152 CH-1211 Geneve 1, Switzerland.

## SGS Cambridge Limited

## Notes to the financial statements Year ended 31 December 2021

## 17. First time adoption of FRS 102

The company previously prepared accounts in accordance with FRS 101 and the last accounts prepared in accordance with this financial reporting framework were for the year ended 31 December 2020. The company transitioned to FRS 102, as at 1 January 2020. The impact of the transition to FRS 102 is as follows:

	As restated before transition 31 December 2020 £	Effect of transition 31 December 2020 £	FRS 102 (as restated) 31 December 2020 £
Fixed assets	2,093,337	(815,994)	1,277,343
Current assets	2,394,562	9,693	2,404,255
Creditors: amounts falling due within one year	(2,949,629)	238,063	(2,711,566)
<b>Net current liabilities</b>	<b>(555,067)</b>	<b>247,756</b>	<b>(307,311)</b>
<b>Total assets less current liabilities</b>	<b>1,538,270</b>	<b>(568,238)</b>	<b>970,032</b>
Creditors: amounts falling due after more than one year	(540,998)	540,998	-
Provisions for liabilities	(78,967)	-	(78,967)
<b>Net (liabilities)/assets</b>	<b>918,305</b>	<b>(27,240)</b>	<b>891,065</b>
Capital and reserves	918,305	(27,240)	891,065

## SGS Cambridge Limited

## Notes to the financial statements Year ended 31 December 2021

## 17. First time adoption of FRS 102 (continued)

	As restated before transition 31 December 2020 £	Effect of transition 31 December 2020 £	FRS 102 (as restated) 31 December 2020 £
Turnover	7,428,231	-	7,428,231
Cost of sales	(5,328,128)	-	(5,328,128)
	<hr/>	<hr/>	<hr/>
Distribution expenses	2,100,103	-	2,100,103
	(221,682)	-	(221,682)
Administrative expenses	1 (4,042,424)	352,522	(3,689,902)
Other operating income	33,750	-	33,750
	<hr/>	<hr/>	<hr/>
<b>Operating profit</b>	(2,130,253)	352,522	(1,777,731)
Income from shares in group undertakings	440,050	-	440,050
Interest payable and similar charges	2 (257,517)	58,041	(199,476)
Taxation	(414,951)	(27,429)	(442,380)
	<hr/>	<hr/>	<hr/>
<b>Loss on ordinary activities after taxation and for the financial year</b>	<u>(2,362,671)</u>	<u>383,134</u>	<u>(1,979,537)</u>



## **SGS Cambridge Limited**

### **Notes to the financial statements Year ended 31 December 2021**

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#### **17. First time adoption of FRS 102 (continued)**

Under the previous financial reporting framework, the company applied IFRS 16 in respect of its leases. Under this standard the company recognised a right of use asset and a corresponding lease liability in respect of all leases. The lease liability was initially measured at the present value of the lease payments that were not paid at the commencement date, discounted by using the rate implicit in the lease.

Under FRS 102, leases are categorised as finance leases, or operating leases, depending on whether the risks and rewards incidental to ownership are transferred. The directors consider that under FRS 102, the leases constitute operating leases. In accordance with FRS 102, no lease liability is recognised, and rent is recorded as an expense on the straight-line basis.

On transition to FRS 102 the prior year lease liability due within one year of £238,063, and the amount due after one year of £540,998 have been derecognised. Correspondingly, the right of use assets, with net book value of £815,994 have been derecognised. The prior year deferred tax asset has been restated by £9,693 in relation to the right of use asset.

Explanation of changes to previously reported profit and equity:

- 1 Administrative expenses have been restated by £352,522. This relates to the depreciation on right of use assets.
- 2 Interest payable and similar charges have been restated by £58,041. This comprises the unwinding of the lease liability.