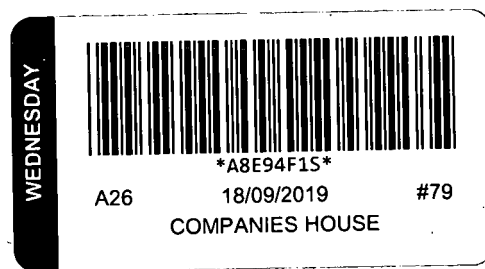


Registered number: 04325633

**Instrumentel Limited**

**Annual Report and Financial Statements**

**For the Year Ended 31 December 2018**



## **Instrumentel Limited**

### **Company Information**

---

**Directors**

T G Johnstone  
Dr D M McGorman  
C J Weldon

**Company Secretary**

R P D O'Brien

**Registered number**

04325633

**Registered office**

Unipart House  
Cowley  
Oxford  
England  
OX4 2PG

**Independent auditors**

Chadwick & Company (Manchester) Limited  
Chartered Accountants and Statutory Auditors  
Capital House  
272 Manchester Road  
Droylsden  
Manchester  
M43 6PW

---

## **Instrumentel Limited**

### **Contents**

---

	Page(s)
Strategic Report	1
Directors' Report	2 - 3
Balance Sheet	4
Statement of Changes in Equity	5
Notes to the Financial Statements	6 - 13

---

**Business review and future developments**

Instrumentel Limited ("the Company") is a provider of innovative technology and engineering solutions around a diagnostic/digital platform offering improved performance capability and added value to its customers.

The directors are satisfied with the financial performance and position of the Company and anticipate similar levels of activity in the coming year.

The Company is a subsidiary of the Unipart Group of Companies ("the Group"). The strategic objectives of the Company are aligned with those of the Group. Further details on the strategy and performance of the Group, including key performance indicators, can be found in the Chairman's Statement and the Strategic, Operating and Financial Review in the 2018 Annual Report of Unipart Group of Companies Limited, which does not form part of this report.

**Principal risks and uncertainties**

From the perspective of the Company, the principal risks and uncertainties are integrated within the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which included those of the Company, are discussed in the Strategic, Operating and Financial Review in the 2018 Annual Report of Unipart Group of Companies Limited, which does not form part of this report.

**Financial risk management**

The financial risks of the Company are managed centrally by the Group's treasury department. Given the size of the Company and the level of its activities, its operations are not significantly exposed to risks as price risk, credit risk, liquidity risk or interest risk.

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



**T. Johnstone**  
Director

27 March 2019

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

**Statement of directors' responsibilities in respect of the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are 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.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Directors' confirmations**

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Dividends**

The directors do not propose the payment of a dividend (2017: £nil).

## **Instrumentel Limited**

### **Directors' Report For the Year Ended 31 December 2018**

---

#### **Directors**

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

T G Johnstone  
Dr D M McGorman  
C J Weldon (appointed 1 February 2019)  
J Chitty (resigned 31 January 2019)  
G J Tillier (resigned 28 February 2019)

There was no contract subsisting during the year or at the date of approval of the financial statements in which any director of the Company had a material interest; however, during the year and at the date of approval of the financial statements, a qualifying third party indemnity from the Company was available to the directors against liabilities incurred by them in defending proceedings against them in relation to the affairs of the Company. The indemnity is subject to the provisions of the Companies Act and is set out in the Articles of Association.

#### **Research and Development**

The Company is committed to an ongoing programme of expenditure on research and development projects.

#### **Future developments**

A review of the business and an indication of likely future developments are included in the Strategic Report.

#### **Financial risk management**

Details of the financial risks of the Company are disclosed in the Strategic Report.

#### **Going concern**

The Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements, which are shown on pages 4 - 13.

#### **Independent auditors**

The auditors, Chadwick & Company (Manchester) Limited, have indicated their willingness to continue in office.

This report was approved by the Board on 27 March 2019 and signed by its order.



**R P D O'Brien**  
Company Secretary

27 March 2019

Registered number: 04325633

---

Instrumentel Limited

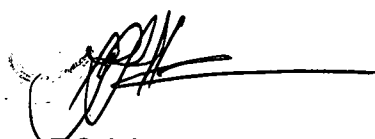
**Balance Sheet**  
**As at 31 December 2018**

	Note	2018 £000	2017 £000
<b>Fixed assets</b>			
Tangible assets	6	<u>91</u>	<u>5</u>
		91	5
<b>Current assets</b>			
Stocks	7	105	79
Debtors: amounts falling due within one year	8	637	158
Cash at bank and in hand		<u>36</u>	<u>50</u>
		778	287
Creditors: amounts falling due within one year	9	<u>(1,315)</u>	<u>(801)</u>
<b>Net current liabilities</b>		(537)	(514)
<b>Total assets less current liabilities</b>		<u>(446)</u>	<u>(509)</u>
Creditors: amounts falling due after more than one year	10	(15)	(18)
<b>Net liabilities</b>		<u>(461)</u>	<u>(527)</u>
<b>Capital and reserves</b>			
Called up share capital	12	104	104
Share premium account	13	1,265	1,265
Profit and loss account	13	<u>(1,830)</u>	<u>(1,896)</u>
<b>Total shareholders' deficit</b>		<u>(461)</u>	<u>(527)</u>

The Company's accounts and reports have been delivered in accordance with the provisions applicable to entities subject to the small companies regime.

The directors of the Company have elected not to include a copy of the profit and loss account in the financial statements.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 27 March 2019.

  
T.G. Johnstone  
Director

The notes on pages 6 to 13 form part of these financial statements.

Registered number: 04325633

**Instrumentel Limited****Statement of Changes in Equity  
For the Year Ended 31 December 2018**

	<b>Called up share capital £000</b>	<b>Share premium account £000</b>	<b>Profit and loss account £000</b>	<b>Total shareholders' deficit £000</b>
At 1 January 2018	104	1,265	(1,896)	(527)
Profit for the financial year	-	-	66	66
As at 31 December 2018	104	1,265	(1,830)	(461)

**Statement of Changes in Equity  
For the Year Ended 31 December 2017**

	<b>Called up share capital £000</b>	<b>Share premium account £000</b>	<b>Profit and loss account £000</b>	<b>Total shareholders' deficit £000</b>
At 1 January 2017	104	1,264	(1,802)	(434)
Loss for the financial year	-	-	(94)	(94)
Shares issued during the year	-	1	-	1
As at 31 December 2017	104	1,265	(1,896)	(527)

The notes on pages 6 to 13 form part of these financial statements.



## 1 General information

The Company is a trading company within the United Kingdom.

The Company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Unipart House, Cowley, Oxford, England, OX4 2PG.

## 2 Statement of compliance

The financial statements of Instrumentel Limited have been prepared in compliance with United Kingdom Accounting Standards, including 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 adopted in the preparation of these financial statements are set out below. The policies have been consistently applied to all years presented, unless otherwise stated.

### 3.1 Basis of accounting

These financial statements have been prepared on the going concern basis, under the historical cost convention, in compliance with United Kingdom Accounting Standards, including FRS 102 and the Companies Act 2006.

The presentation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

The financial statements are prepared in Sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest thousand.

### 3.2 Cash flow statement

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a cash flow statement, on the basis that it is a qualifying entity and its ultimate parent company, Unipart Group of Companies Limited, includes the Company's cash flows in its own consolidated financial statements.

### 3.3 Turnover

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the period, exclusive of Value Added Tax.

Income is recognised as the fair value of consideration receivable on goods and services supplied during the year, including amounts received and receivable on management fee contracts. The sales of goods are recognised at the point at which the risks and rewards of ownership are transferred, in accordance with the individual sales contracts. Revenue from the sale of services are recognised in the accounting period in which the services are rendered, by reference to the agreed contractual arrangements. Revenue is reported net of conditional discounts, VAT and other sales taxes.

### 3 Accounting policies (continued)

#### 3.4 Research and development

Research and development expenditure is written off as incurred.

#### 3.5 Pension costs

For defined contribution schemes, contributions are charged to the Statement of Comprehensive Income as payable in respect of the accounting year.

#### 3.6 Employee benefits

The cost of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 3.7 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation, with provision for impairment where considered appropriate. The cost of purchased assets is the value of consideration given to acquire the assets and value of other directly attributable costs that are incurred in bringing the assets to the location and condition necessary for their intended use. Depreciation on the cost of tangible fixed assets is provided over the following periods on a straight-line basis, to write off the assets over their estimated useful lives from the date they are brought into use.

Plant and machinery	-	33% per annum of cost
---------------------	---	-----------------------

#### 3.8 Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

#### 3.9 Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### 3 Accounting policies (continued)

#### 3.10 Deferred tax

Deferred tax is accounted for to recognise timing differences between the recognition of gains and losses in the financial statements and their recognition for tax purposes. A deferred tax liability is recognised if transactions or events result in the Company having an obligation to pay more tax in future periods. A deferred tax asset is only recognised where transactions or events that have occurred before the Balance Sheet date give the Company the right to pay less tax in the future and it is considered to be probable that the asset will be recovered. Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

#### 3.11 Financial instruments

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(c), from presenting disclosures in relation to financial instruments, on the basis that it is a qualifying entity and its ultimate parent company, Unipart Group of Companies Limited, includes the equivalent disclosures in its own consolidated financial statements.

#### 3.12 Operating leases

Operating lease rentals are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

#### 3.13 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Exchange gains and losses are recognised in the Statement of Comprehensive Income.

#### 3.14 Key management personnel

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.2(e), from presenting disclosures in relation to key management personnel, on the basis that it is a qualifying entity and its ultimate parent company, Unipart Group of Companies Limited, includes the equivalent disclosures in its own consolidated financial statements.

#### 3.15 Government grants

Income from government grants is credited to the Statement of Comprehensive Income in the period in which the grant becomes receivable.

**4 Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure in the reporting period. Actual results could differ from those estimates.

The annual depreciation charge for tangible and intangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful lives and residual values are reassessed annually. They are amended when necessary, to reflect current estimates. See note 6 for the carrying value of tangible fixed assets.

**5 Employees**

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

	<b>2018 Number</b>	<b>2017 Number</b>
Sales, marketing and administration	<b>12</b>	<b>9</b>
	<b>12</b>	<b>9</b>

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2018**

**6 Tangible assets**

	<b>Plant and machinery £000</b>
<b>Cost</b>	
At 1 January 2018	17
Additions	110
<b>At 31 December 2018</b>	<b>127</b>
<b>Accumulated depreciation</b>	
At 1 January 2018	12
Charge for the year	24
<b>At 31 December 2018</b>	<b>36</b>
<b>Net book value</b>	
<b>At 31 December 2018</b>	<b>91</b>
At 31 December 2017	5

**7 Stocks**

	<b>2018 £000</b>	<b>2017 £000</b>
Work in progress	7	36
Finished goods	98	43
	<b>105</b>	<b>79</b>

There is no material difference between carrying value and replacement cost.

**8 Debtors**

	<b>2018 £000</b>	<b>2017 £000</b>
Trade debtors	316	65
Accrued income	285	89
Prepayments	11	4
Corporation tax	25	-
	<b>637</b>	<b>158</b>

**Notes to the Financial Statements  
For the Year Ended 31 December 2018**

---

**9 Creditors: amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	20	37
Amounts owed to Group undertakings	1,209	728
Other taxation and social security	62	3
Other creditors	20	28
Accruals and deferred income	4	5
	<b>1,315</b>	<b>801</b>

Amounts owed to Group undertakings are unsecured, non-interest bearing and are repayable on demand.

**10 Creditors: amounts falling due after more than one year**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Other creditors	15	18

**11 Pension commitments**

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The charge to profit and loss in respect of defined contributions schemes was £17,000 (2017: £15,000).

Contributions totalling £3,000 (2017: £nil) were payable to the fund at the year end.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2018**

---

**12 Called up share capital**

	2018	2017
	£	£
<b>Allotted called up and fully paid</b>		
843,974 (2017: 843,974), A Ordinary Shares of £0.01 each	8,440	8,440
749,761 (2017: 749,761), B Ordinary Shares of £0.01 each	7,498	7,498
242,781 (2017: 242,781), C Ordinary Shares of £0.01 each	2,428	2,428
950,956 (2017: 950,956), Deferred Shares of £0.09 each	85,586	85,586
	<u>103,952</u>	<u>103,952</u>

Ordinary shares are classified as equity. There are no restrictions on the distribution of dividends and the repayment of capital on these ordinary shares.

The Deferred shares have no voting rights and no right to participate in the distribution of dividends. The deferred shareholders are only entitled to a return of capital once ordinary shareholders have received £1,000,000 per Ordinary share.

**13 Reserves****Share premium account**

Share premium account represents amounts received above par value in return for shares within the Company.

**Profit and loss account**

The profit and loss account represents accumulated comprehensive income for the year and prior years less dividends paid.

**14 Contingent liabilities**

The Company has given security, by way of fixed and floating charges over certain of the Company's assets, to guarantee bank loans and overdrafts provided to certain fellow subsidiary undertakings. The amount outstanding under such arrangements at 31 December 2018 was £4,500,000 (2017: £6,500,000).

## 15 Operating lease commitments

At 31 December, the Group had total future minimum lease payments under non-cancellable operating leases as follows:

	2018 £000	2017 £000
<b>Expiry date</b>		
Within 1 year	42	24
Between 2 and 5 years	157	199

## 16 Related party transactions

During the year, the total sales made to related parties amounted to £421,000 (2017: £114,000), purchases made from related parties amounted to £nil (2017: £nil) and the balance owed from related parties at 31 December 2018 was £282,000 (2017: £34,000). In addition, loans owed to related parties of £1,209,000 were outstanding at the year end (2017: £728,000).

At the year end, a loan of £4,000 was owed to Dr D M McGorman (2017: £6,000).

## 17 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Unipart Rail Holdings Limited.

The ultimate parent undertaking and controlling party is Unipart Group of Companies Limited, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Unipart Group of Companies Limited's consolidated financial statements can be obtained from the Company Secretary at Unipart House, Cowley, Oxford, OX4 2PG.

## 18 Audit report information

As the profit and loss account has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Cathryn McDowell FCCA.

The auditor was Chadwick & Company (Manchester) Limited.