

Registration number: 05882888

Aitchee Engineering Limited

Directors' Report and Financial Statements

for the year ended 31 December 2018

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Aitchee Engineering Limited

Company information

Directors	Mr D Cicurel Dr S Gregory (Managing Director) Mr M Lavelle (Chairman) Mr B Ormsby Mr E Wells Mr M Backshall
Secretary	Mr G Reece
Company number	05882888
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

Aitchee Engineering Limited

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

Principal activity

The principal activity of the company in the year continued to be that of the manufacture of a variety of engineering parts and finished products for a number of industries. The statement of comprehensive income is set out on page 6 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 and that the ultimate parent company has confirmed its ongoing support. 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:

Mr D Cicurel	
Mr M Backshall	Appointed 3 September 2018
Dr S Gregory (Managing Director)	
Mr M Lavelle (Chairman)	
Mr B Ormsby	
Mr E Wells	

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.

Aitchee Engineering 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

Aitchee Engineering Limited
Company Registration Number: 05882888

Aitchee Engineering Limited

Independent Auditor's Report to the members of Aitchee Engineering Limited

Opinion

We have audited the financial statements of Aitchee Engineering 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.

Aitchee Engineering Limited

Independent Auditor's Report to the members of Aitchee Engineering Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' report set out on pages 1 to 2 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 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.

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 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
- 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.

Aitchee Engineering Limited

Independent Auditor's Report to the members of Aitchee Engineering Limited

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 1 to 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

Aitchee Engineering Limited

Statement of comprehensive income for the year ended 31 December 2018

		2018 £	2017 £
	Notes		
Turnover	1	1,007,040	992,380
Raw materials and consumables		(287,809)	(282,309)
Other external charges		(142,945)	(167,415)
Staff costs	2	(506,900)	(496,080)
Depreciation		(27,658)	(25,557)
Operating profit	3	41,728	21,019
Interest payable and similar charges		(13,500)	(13,500)
Profit on ordinary activities before taxation		28,228	7,519
Tax on profit on ordinary activities	4	(5,505)	(1,482)
Profit for the financial year and total comprehensive income for the year		22,723	6,037

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

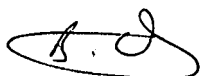
The accompanying notes form an integral part of these financial statements.

Aitchee Engineering Limited

Balance sheet as at 31 December 2018

	Notes	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	5		82,533		99,920
Current assets					
Stocks	6	151,218		123,821	
Debtors	7	191,199		113,538	
Cash at bank and in hand		50,860		154,009	
		<u>393,277</u>		<u>391,368</u>	
Creditors: amounts falling due within one year	8	<u>(347,719)</u>		<u>(385,920)</u>	
Net current assets			<u>45,558</u>		<u>5,448</u>
Total assets less current liabilities			<u>128,091</u>		<u>105,368</u>
Total net assets			<u>128,091</u>		<u>105,368</u>
Creditors: amounts falling due after more than one year	9		270,000		270,000
Capital and reserves					
Called up share capital	11		2		2
Profit and loss account			<u>(141,911)</u>		<u>(164,634)</u>
Shareholders' funds - all equity			<u>(141,909)</u>		<u>(164,632)</u>
			<u>128,091</u>		<u>105,368</u>

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.

Aitchee Engineering Limited

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

	Share capital £	Profit and Loss account £	Total equity £
Balance at 1 January 2018	2	(164,634)	(164,632)
Profit for the year	-	22,723	22,723
Total comprehensive income for the year	-	22,723	22,723
Balance at 31 December 2018	2	(141,911)	(141,909)
Balance at 1 January 2017	2	(170,671)	(170,669)
Profit for the year	-	6,037	6,037
Total comprehensive income for the year	-	6,037	6,037
Balance at 31 December 2017	2	(164,634)	(164,632)

Aitchee Engineering Limited

Statement of accounting policies

General information

Aitchee Engineering 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 the manufacture of a variety of engineering parts and finished products for a number of industries.

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 revenues to be recognised in the Statement of comprehensive income of the financial year, as set out below, 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.

Aitchee Engineering Limited

Statement of accounting policies

The principal accounting policies are set out below.

Turnover

The company has adopted the turnover standard IFRS 15 'Revenue from Contracts with Customers' from its effective date of 1 January 2018. 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.

Turnover 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 turnover from services, the performance obligation is satisfied over time.

Turnover 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.

Turnover 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:

Plant and machinery:	15% straight line on cost
Fixtures, fittings and equipment:	15%/33% straight line on cost
Motor vehicles:	25% straight line on cost

Leasing

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.

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.

Aitchee Engineering Limited

Statement of accounting policies

Pensions

The company operates defined contribution pension schemes for employees and directors. The assets of the schemes are held by investment managers separately from those of the company. Contributions payable are charged to the profit and loss account.

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.

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.

Equity

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares.
- "Profit and loss account" represents retained profits and losses.

Aitchee Engineering Limited

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

1. REVENUE

Turnover attributable to geographical markets outside the United Kingdom amounted to £nil for the year (2017: £nil).

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2018 £	2017 £
Staff costs (including directors)		
Wages and salaries	450,199	441,366
Social security costs	44,226	44,580
Other pension costs	12,475	10,134
	<u>506,900</u>	<u>496,080</u>
Average number of persons employed:	No	No
Directors	5	6
Manufacturing	12	12
Sales and administration	1	1
	<u>18</u>	<u>19</u>
Directors' emoluments:	£	£
Emoluments	56,100	62,022
Defined contribution pension scheme contributions	2,706	2,627
	<u>58,806</u>	<u>64,649</u>

During the year one director participated in a money purchase pension scheme (2017: one).

Aitchee Engineering 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	27,658	25,557
Auditor's remuneration - audit	3,000	3,000
Operating lease rentals - vehicles	3,578	3,578
Operating lease – photocopier	<u>961</u>	<u>1,282</u>

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

	2018 £	2017 £
Current tax		
Current tax on profits for the year	6,704	1,740
Total current tax	<u>6,704</u>	<u>1,740</u>
Deferred tax		
Current year	(1,340)	(293)
Effect of changes in tax rates	141	35
Total deferred tax	<u>(1,199)</u>	<u>(258)</u>
Tax per statement of comprehensive income	<u>5,505</u>	<u>1,482</u>

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

	2018 £	2017 £
Profit on ordinary activities before tax	28,228	7,519
Tax on profit at standard UK tax rate of 19% (2017: 19.25%)	<u>5,363</u>	<u>1,447</u>
Effect of:		
Expenses not deductible	1	-
Tax rate changes	141	35
Tax per statement of comprehensive income	<u>5,505</u>	<u>1,482</u>

Aitchee Engineering Limited

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

5. TANGIBLE FIXED ASSETS

	Motor vehicles £	Plant and machinery £	Office equipment £	Total £
Cost				
At 1 January 2018	6,695	230,593	8,176	245,464
Additions	-	10,271	-	10,271
At 31 December 2018	6,695	240,864	8,176	255,735
Depreciation				
At 1 January 2018	6,695	132,439	6,410	145,544
Charge for the period	-	27,348	310	27,658
At 31 December 2018	6,695	159,787	6,720	173,202
Net book values				
At 31 December 2018	-	81,077	1,456	82,533
At 31 December 2017	-	98,154	1,766	99,920

6. STOCK

	2018 £	2017 £
Raw material	87,456	57,360
Work in progress	63,762	66,461
	<u>151,218</u>	<u>123,821</u>

In 2018, a total of £287,809 of inventories was included in the Statement of comprehensive income as an expense (2017: £282,309). All inventories form part of the assets pledged as security in respect of bank loans.

Aitchee Engineering Limited

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

7. DEBTORS

	2018 £	2017 £
Trade debtors	16,752	22,970
Amounts owed by group companies	169,480	85,775
Deferred tax (see note 10)	2,489	1,290
Prepayments	2,478	3,503
	<u>191,199</u>	<u>113,538</u>

Trade debtors are stated after a provision of £nil (2017: £nil).

8. CREDITORS

	2018 £	2017 £
Amounts falling due within one year		
Trade creditors	61,745	50,356
Amounts owed to group companies	233,607	248,086
Social security and other taxes	37,342	42,226
Corporation tax payable	6,705	22,184
Accruals and deferred income	8,320	23,068
	<u>347,719</u>	<u>385,920</u>

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

Amounts falling due after more than one year are wholly in respect of a subordinated loan advanced by the ultimate parent undertaking. The interest charge on this loan for the year ended 31 December 2018 was £13,500 (2017: £13,500). The loan is repayable on demand at any time after 30 June 2020 provided that all liabilities to third parties falling due on or before that date have been met.

Aitchee Engineering Limited

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

10. DEFERRED TAX

	£
At 1 January 2018	1,290
Credit in the year	1,199
At 31 December 2018	<u>2,489</u>

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

11. CALLED UP SHARE CAPITAL

	2018 £	2017 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

12. OPERATING LEASE COMMITMENTS

	2018 £	2017 £
Operating lease payments expensed during the year:		
Vehicles	3,578	3,578
Photocopier	<u>961</u>	<u>1,282</u>
Minimum operating lease commitments falling due:		
Within one year		
Vehicles	3,578	3,578
Photocopier	<u>1,282</u>	<u>1,282</u>
Between one and five years		
Vehicles	8,600	8,600
Photocopier	<u>2,884</u>	<u>2,884</u>

Aitchee Engineering Limited

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

13. RELATED PARTY TRANSACTIONS

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

14. 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.