

Registration number: 07003607

Judges Capital Limited

Directors' Report and Financial Statements

for the year ended 31 December 2021

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Judges Capital Limited

Company information

Directors	Mr D Cicurel Mr M Lavelle Mr B Ormsby
Secretary	Mr G Reece
Company number	07003607
Registered Office	52c Borough High Street London SE1 1XN
Auditor	Grant Thornton UK LLP Statutory Auditor Chartered Accountants 30 Finsbury Square London EC2A 1AG

Judges Capital Limited

Contents

Directors' report	1 to 2
Independent auditor's report	3 to 6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Statement of accounting policies	10 to 11
Notes to the financial statements	12 to 13

Judges Capital Limited

Directors' report for the year ended 31 December 2021

The directors present their report and the financial statements for the year ended 31 December 2021. 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 a holding company. The statement of comprehensive income is set out on page 7 and shows the profit for the year. The investment held by the company was transferred to the parent company during the year, and the company is expected to be dormant from 2022.

Going concern

The company's investments have been financed by borrowings from its parent company. The company has no external debt and continues to benefit from the financial support of the parent company. 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 Lavelle
Mr B Ormsby

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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, 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.

Judges Capital Limited

Directors' report for the year ended 31 December 2021

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

We will be appointing a new auditor for the audit of the 2022 financial statements following an extensive tender process in the second half of 2021. The Auditor, BDO UK LLP, has expressed a willingness to be appointed. In accordance with section 489(4) of the Companies Act 2006, a resolution to appoint BDO UK LLP will be proposed at the Annual General Meeting.

This report was approved by the board on 22 March 2022 and signed on its behalf by:



Mr G Reece
Secretary

Judges Capital Limited
Company Registration Number: 07003607

Judges Capital Limited

Independent Auditor's Report to the members of Judges Capital Limited

Opinion

We have audited the financial statements of Judges Capital Limited (the 'company') for the year ended 31 December 2021 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 2021 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 are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Judges Capital Limited

Independent Auditor's Report to the members of Judges Capital 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; 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.

Judges Capital Limited

Independent Auditor's Report to the members of Judges Capital Limited

Responsibilities of directors for the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of how the company is complying with the legal and regulatory frameworks by making enquiries of management. We corroborated our enquiries through our review of board minutes (where available) and review of legal and professional fees incurred in the year;
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant in the context of the Company are those related to the financial reporting framework, being FRS 101 and the Companies Act 2006;
- In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to health and safety, employee matters, environmental, and bribery and corruption practices;

Judges Capital Limited

Independent Auditor's Report to the members of Judges Capital Limited

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risk was in relation to revenue recognition;
- Our audit procedures included:
 - obtaining an understanding of the design and implementation of controls that management has in place to prevent and detect fraud;
 - journal entry testing, with a focus on material manual journals, including those with unusual account combinations
 - challenging assumptions and judgements made by management in its significant accounting estimates; and
 - testing the completeness of the Company's related party transactions;
- In addition, we completed audit procedures to conclude on the compliance of disclosures in the report and accounts with the applicable financial reporting framework requirements;
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement Director assessed whether the engagement team collectively had the appropriate competence and capabilities to identify and recognise non-compliance with laws and regulations through assessment of the team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation; and
 - knowledge of the industry in which the client operates.

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

Joanne Love
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
22 March 2022

Judges Capital Limited

Statement of comprehensive income for the year ended 31 December 2021

		2021 £	2020 £
	Notes		
Other external charges		-	-
Operating loss		<u>-</u>	<u>-</u>
Income from shares in group undertaking		1,300,000	500,000
Forgiveness of loan from group undertaking		4,700	2,500,000
Impairment of investment	2	-	(2,500,000)
Interest payable and similar charges		(640,528)	(819,500)
Profit/(loss) on ordinary activities before taxation		<u>664,172</u>	<u>(319,500)</u>
Tax credit on profit/(loss) on ordinary activities	1	121,695	155,705
Profit/(loss) for the financial year and total comprehensive loss for the year		<u>785,867</u>	<u>(163,795)</u>

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

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

Judges Capital Limited

Balance sheet as at 31 December 2021

			2021	2020
	Notes	£	£	£
Fixed assets				
Investments	2	-	-	12,737,577
Current assets				
Debtors	3	-	155,710	
Cash at bank and in hand		-	7,275	
		-	162,985	
Net current assets		-	-	162,985
Total net assets		-	-	12,900,562
Amounts owed to group companies	4	-	-	13,686,429
Capital and reserves				
Called up share capital	5		1	1
Capital contribution reserve		878,541	878,541	878,541
Profit and loss account		(878,542)	(1,664,409)	(1,664,409)
Shareholders' funds - all equity		-	-	(785,867)
		-	-	12,900,562

The financial statements were approved by the board of directors on 22 March 2022 and signed on its behalf by:

Brad Ormsby

Mr B Ormsby
Director

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

Judges Capital Limited

Statement of changes in equity for the year ended 31 December 2021

	Share capital £	Capital contribution reserve £	Profit and loss account £	Total equity £
Balance at 1 January 2021	1	878,541	(1,664,409)	(785,867)
Profit for the year	-	-	785,867	785,867
Total comprehensive profit for the year	-	-	785,867	785,867
Balance at 31 December 2021	1	878,541	(878,542)	-
Balance at 1 January 2020	1	878,541	(1,500,614)	(622,072)
Loss for the year	-	-	(163,795)	(163,795)
Total comprehensive loss for the year	-	-	(163,795)	(163,795)
Balance at 31 December 2020	1	878,541	(1,664,409)	(785,867)

Judges Capital Limited

Statement of accounting policies

General information

Judges Capital Limited is a company limited by shares. It was incorporated in England and its registered office is 52c Borough High Street, London, SE1 1XN. The principal activity of the company during the year was that of a holding company.

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.

Going concern

The company's investments were financed by borrowings from its parent company. As at 31 December 2021, the investments have been transferred to the parent company, and the loan has been fully repaid. The company has no external debt and continues to benefit from the financial support of the parent company. The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In making this assessment the directors have considered the period until the end of March 2023 and therefore they continue to adopt the going concern basis in preparing the financial statements.

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 do not consider there to be any significant judgements in applying accounting policies.

Sources of estimation uncertainty

- The carrying value of investments is assessed based on the current trading performance, the expected future performance and net assets of the investment.

Judges Capital Limited

Statement of accounting policies

The principal accounting policies are set out below.

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.

Taxation

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

Investments

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

Group accounts

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

Equity

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares.
- "Capital contribution reserve" represents shares issued by the ultimate parent company as part of the consideration in the acquisition of Scientifica Limited.
- "Profit and loss account" represents retained profits and losses.

Judges Capital Limited

Notes to the financial statements for the year ended 31 December 2021

1. TAX ON LOSS ON ORDINARY ACTIVITIES

	2021 £	2020 £
Current tax		
Current tax credit on profit/(loss) for the year	(121,700)	(155,705)
Adjustment in respect of prior years	5	-
Tax per statement of comprehensive income	<u>(121,695)</u>	<u>(155,705)</u>

The credit for the year can be reconciled to the loss per the statement of comprehensive income as follows:

	2021 £	2020 £
Profit/(loss) on ordinary activities before tax	<u>664,172</u>	<u>(319,500)</u>
Tax on profit/(loss) at standard UK tax rate of 19% (2020: 19%)	126,193	(60,705)
Effect of:		
Income not taxable	(247,893)	(570,000)
Expense not deductible	-	475,000
Adjustments in respect of prior years	5	-
Tax per statement of comprehensive income	<u>(121,695)</u>	<u>(155,705)</u>

2. FIXED ASSET INVESTMENTS

Subsidiary undertakings	£
Cost and net book value - 1 January 2021	12,737,577
Transfer of investment to group company	<u>(12,737,577)</u>
At 31 December 2021	<u>-</u>

During the year the company sold 100% of the ordinary share capital of Scientifica Limited, a company incorporated in the UK. This sale was made to the company's ultimate parent, Judges Scientific Plc, which is also a company incorporated in the UK.

3. DEBTORS

	2021 £	2020 £
Amounts due from group companies	<u>-</u>	<u>150,710</u>
	<u>-</u>	<u>150,710</u>

Judges Capital Limited

Notes to the financial statements for the year ended 31 December 2021

4. CREDITORS: AMOUNTS OWED TO GROUP COMPANIES

	2021 £	2020 £
Amounts owed to group companies	<u>-</u>	<u>13,686,429</u>

The amount owed to group companies was in respect of a subordinated loan advanced by the ultimate parent undertaking. This loan bore interest at the rate of 5% and was repayable on demand at any time after 30 June 2022 provided that all liabilities to third parties falling due on or before that date have been met. The loan was repaid in full during the year.

5. CALLED UP SHARE CAPITAL

	2021 £	2020 £
Allotted, called up and fully paid		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

6. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Average number of persons employed:	No.	No.
Directors	<u>3</u>	<u>3</u>

No emoluments were paid to the directors (2020: £nil)

7. OPERATING PROFIT

Audit fees in both the current and prior year have been borne by the parent company.

8. 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.

9. 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 2021 to £17,007,500 (2020: £21,214,750) are secured on the company's assets.