

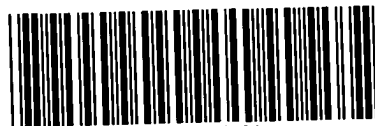
Measurement Devices Limited

Directors' report and financial
statements

Registered number SC084301

30 June 2016

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Directors' report

The directors present their report and the audited financial statements for the year ended 30 June 2016.

Principal activities and business review

On 30 June 2013 Renishaw plc, the owner of 100% of the share capital of the company, transferred the trade and assets of the company into Renishaw plc. As a result, the company had no trading activity during this year or the previous year.

The results for the year ended 30 June 2016 are set out on page 5.

Ultimate parent undertaking

The ultimate parent undertaking is Renishaw plc, incorporated and registered in England and Wales.

Directors

The directors who held office during the period were as follows:

A Roberts

W Lee

B Taylor – resigned 11 February 2016

D Deer

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006 the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

By order of the board



N Tang
Company Secretary

Silverburn Crescent
Bridge of Don
Aberdeen
AB23 8EW

16 September 2016

Statement of Directors' Responsibilities in respect of the Directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK 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 judgments and 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.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Measurement Devices Limited

We have audited the financial statements of Measurement Devices Limited for the year ended 30 June 2016, set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 101 *Reduced Disclosure Framework*.

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



Independent auditor's report to the members of Measurement Devices Limited
(continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Virginia Stevens

Virginia Stevens (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
100 Temple Street
Bristol
BS1 6AG

16th September 2016

Profit and loss account
for the year ended 30 June 2016

	<i>Note</i>	2016 £	2015 £
Turnover		-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross result		-	-
Administrative expenses		-	-
Other operating income		-	-
		<hr/>	<hr/>
Operating result/profit	2	-	-
Interest receivable		-	-
Interest payable and similar charges		-	-
Dividends received		448,464	
Impairment of investments	4	(460,790)	(162,711)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(12,326)	(162,711)
Tax credit on loss on ordinary activities	3	(21,389)	154
		<hr/>	<hr/>
Loss on ordinary activities after taxation		(33,715)	(162,557)
		<hr/>	<hr/>

Turnover and the loss on ordinary activities before taxation relate entirely to discontinued operations.

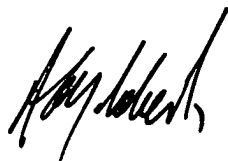
There is no material difference between the loss for the financial year stated above and its historical cost equivalent.

The company had no other items of income other than those included in the results above, and the loss for the financial year therefore represents the Company's total comprehensive income for the year.

Balance sheet
at 30 June 2016

	<i>Note</i>	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Investments in subsidiaries	4		-		460,790
Current assets					
Debtors	5	3,261,759		2,834,684	
Creditors: amounts falling due within one year	6	-		-	
Net current assets			3,261,759		2,834,684
Total assets less current liabilities			3,261,759		3,295,474
Creditors: amounts falling due after one year			-		-
Net assets			3,261,759		3,295,474
Capital and reserves					
Share capital	7		394,799		394,799
Share premium	7		2,527,536		2,527,536
Profit and loss account			339,424		373,139
Shareholders' funds			3,261,759		3,295,474

These financial statements were approved by the board of directors on 16 September 2016 and were signed on its behalf by:



A Roberts
 Director

Registered number: SC084301

Statement of Changes in Equity

	Called up Share capital £	Share premium £	Profit and loss account £	Total equity £
Balance at 1 July 2014	394,799	2,527,536	535,696	3,458,031
Loss for the financial year ended 30 June 2015	-	-	(162,557)	(162,557)
Balance at 30 June 2015	394,799	2,527,536	373,139	3,295,474
Loss for the financial year ended 30 June 2016	-	-	(33,715)	(33,715)
Balance at 30 June 2016	394,799	2,527,536	339,424	3,261,759

Notes

(forming part of the financial statements)

1 Accounting policies

Measurement Devices Limited (the "Company") is a company incorporated and domiciled in the UK.

The Company is exempt by virtue of S400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. The Company confirms that the transition to FRS 101 has not affected the reported financial position, financial performance or cash flows of the Company and there are no adjustments to amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP).

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management; and
- The effects of new but not yet effective IFRSs.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

There have been no critical judgements or estimates made by the directors, in the application of these accounting policies, that have significant effect on the financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis. Non-current assets are stated at the lower of previous carrying amount and fair value less costs to sell.

1.2 Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reason. The directors have reviewed the forecasts for a period of 12 months from the date these financial statements are signed and are satisfied that the Company will be able to meet its liabilities as they fall due for payment.

1.3 Investments

Investments in subsidiary undertakings, associates and joint ventures are stated at cost. Investments are reviewed annually for impairment and an impairment provision would be made in the event of any permanent diminution in value.

Notes (continued)

1.4 Foreign currencies

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account on a net basis.

1.5 Interest receivable and dividend income

Interest receivable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established.

1.6 Taxation

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2 Operating result/profit

In 2016, audit fees of £3,100 have been paid by the company's parent undertaking Renishaw plc (2015: £3,100).

Notes (continued)

3 Taxation

The total tax charge/(credit) comprises:

	2016 £	2015 £
Current tax		
Withholding tax on dividends received	21,389	-
Corporation tax	-	(154)
Total tax charge	21,389	(154)

Factors affecting the total tax charge/(credit) for the year

	2016 £	2015 £
Loss on ordinary activities before taxation	(12,326)	(162,711)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2015: 20.75 %)	(2,465)	(33,763)
Effects of:		
Impairment of investments not deductible for tax purposes	92,158	33,763
Impact of withholding tax rate on dividends received	(68,304)	-
Other adjustments	-	(154)
Total tax charge / (credit) for the year	21,389	(154)

Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future current tax charge accordingly.

4 Investments in subsidiaries

	2016 £	2015 £
Cost at the beginning of the year	460,790	623,501
Investment impairment loss	(460,790)	(162,711)
Net book value at the end of the year	-	460,790

The company owns 100% of the share capital of both Thomas Engineering and Construction Limited in Canada and Measurement Devices (Australia) Pty Limited in Australia.

During the previous year the business and certain assets and liabilities of Thomas Engineering and Construction Limited were transferred to Renishaw (Canada) Limited at book value. Following the transfer, the net assets of Thomas Engineering and Construction Limited were £156,095 lower than the investment cost of £616,885 on the balance sheet of Measurement Devices Limited resulting in an impairment of £156,095 in 2015. In 2016, the company received a dividend (net of withholding tax) of £411,701 from Thomas Engineering and Construction Limited after which there were nil net assets in Thomas Engineering and Construction Limited. The resultant impairment in 2016 was £460,790.

Notes (continued)

Also during the previous year the business and all assets and liabilities of Measurement Devices (Australia) Pty Limited were transferred to Renishaw Oceania Pty Limited at book value. Following the transfer, the resultant intercompany balance due to Measurement Devices (Australia) Pty Limited from Renishaw Oceania Pty Limited was forgiven leaving nil net assets in Measurement Devices (Australia) Pty Limited. The investment cost of £6,616 on the balance sheet of Measurement Devices Limited was therefore fully impaired in 2015.

5 Debtors

	2016 £	2015 £
Amounts due from group undertakings	3,261,759	2,834,684
	<u>3,261,759</u>	<u>2,834,684</u>

6 Creditors: amounts falling due within one year

	2016 £	2015 £
Corporation tax	-	-
	<u>-</u>	<u>-</u>

7 Called up share capital and share premium

Share capital and share premium at the beginning and end of the year were as follows:

	£
<i>Allotted, called up and fully paid</i>	
3,947,990 Ordinary shares of 10p each	394,799
Share premium	2,527,536
	<u>2,922,335</u>
Total consideration	<u>2,922,335</u>

8 Related party transactions

The Company and group have taken advantage of the exemption granted under FRS 101 from the requirement to disclose transactions with related parties where 100% of the voting rights of those parties are controlled by the same group and consolidated financial statements are prepared for the group.

9 Capital commitments

There were no capital commitments at the beginning or the end of the year.

10 Operating leases

There were no annual commitments under non-cancellable operating leases at the beginning or the end of the year.

11 Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party of the company is Renishaw plc, a company incorporated in England and Wales.

The consolidated financial statements of Renishaw plc are available to the public and may be obtained from New Mills, Wotton-Under-Edge, Gloucestershire, GL12 8JR.