Company Registration No. 00909536 (England and Wales)

Cecil Instruments Limited

Financial statements
for the year ended 31 May 2017

Pages for filing with the Registrar

Cecil Instruments Limited

Contents

Cecil Instruments Limited

Statement of financial position
As at 31 May 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	2		76,319		282,728
Investment properties	3		2,500,000		-
			2,576,319		282,728
Current assets					
Stocks		582,781		711,369	
Debtors	4	204,003		161,870	
Cash at bank and in hand		285,091		222,133	
		1,071,875		1,095,372	
Creditors: amounts falling due within one year	5	(1,780,516)		(1,141,731)	
Net current liabilities			(708,641)		(46,359)
Total assets less current liabilities			1,867,678		236,369
Creditors: amounts falling due after more than one year					
Accruals and deferred income	6	-		398,230	
			-		(398,230)
Provisions for liabilities - Deferred Tax	7		(185,197)		-
Net assets/(liabilities)			1,682,481		(161,861)
Capital and reserves					
Called up share capital	8		15,300		15,300
Share premium account			25,200		25,200
Profit and loss reserves					
- Investment property fair value reserve		2,054,275		-	
- Other profit & loss reserve		(412,294)		(202,361)	
			1,641,981		(202,361)
Total equity			1,682,481		(161,861)

Cecil Instruments Limited

Statement of financial position (continued)
As at 31 May 2017

The director of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and signed by the director and authorised for issue on 21/3/2018

Grenville Chamberlain
Director
Company Registration No. 00909536

Cecil Instruments Limited

Statement of changes in equity
For the year ended 31 May 2017

			Profit and loss reserves		
	Share capital	**Share premium account**	**Investment property fair value reserve**	**Other profit & loss reserve**	**Total**
	£	**£**	**£**	**£**	**£**
Balance at 1 June 2015	15,300	25,200	-	80,386	120,886
Year ended 31 May 2016:					
Loss and total comprehensive income for the year	-	-	-	(282,747)	(282,747)
Balance at 31 May 2016	15,300	25,200	-	(202,361)	(161,861)
Year ended 31 May 2017:					
Profit and total comprehensive income for the year	-	-	-	1,844,342	1,844,342
Transfers	-	-	2,054,275	(2,054,275)	-
Balance at 31 May 2017	15,300	25,200	2,054,275	(412,294)	1,682,481

The investment property fair value reserve is net of deferred tax.

1 Accounting policies

Company information

Cecil Instruments Limited is a private company limited by shares incorporated in England and Wales. The registered office is Suite C, Unex House, Bourges Boulevard, Peterborough, Cambridgeshire, PE1 1NG.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 May 2017 are the first financial statements of Cecil Instruments Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 June 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

The company is financed through a shareholder loan of £1.06m, held by the CSC Tarbet Will Trust. The loan is repayable on demand and has been included within current liabilities. The trustees have confirmed that they will not demand repayment for a period of at least 12 months from the date of signing of the accounts. In addition to the loan there is an unpaid balance of accrued interest of £386k (2016: £338k) which is included in current liabilities. The company has sufficient cash reserves to fund working capital requirements for the foreseeable future. Accordingly the financial statements have been prepared on a going concern basis.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Revenue arising from sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer, this is in accordance with the contract and delivery conditions. Revenue from services is recognised at the point at which the service is performed.

1 Accounting policies (continued)

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

Revenue from service contracts is recognised on a straight line basis over the period of the contract.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Plant and machinery	10% straight line
Fixtures, fittings & equipment	20% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the income statement.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1 Accounting policies (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss. Latest cost is used for valuing the stock.

Work in progress is valued on the basis of direct costs plus attributable overhead based on normal levels of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

1.9 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1 Accounting policies (continued)

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies (continued)

Deferred tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.13 Employee benefits

The costs 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.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

2 Tangible fixed assets

	Land and buildings	Plant and machinery	Total
	£	£	£
Cost			
At 1 June 2016	599,624	221,704	821,328
Additions	-	10,346	10,346
Disposals	-	(10,977)	(10,977)
Transfers	(462,317)	-	(462,317)
At 31 May 2017	137,307	221,073	358,380
Depreciation and impairment			
At 1 June 2016	378,647	159,953	538,600
Depreciation charged in the year	7,707	17,826	25,533
Eliminated in respect of disposals	-	(10,977)	(10,977)
Transfers	(271,095)	-	(271,095)
At 31 May 2017	115,259	166,802	282,061
Carrying amount			
At 31 May 2017	22,048	54,271	76,319
At 31 May 2016	220,977	61,751	282,728

3 Investment property

	2017
	£
Fair value	
At 1 June 2016	-
Transfers from tangible fixed assets	191,222
Additions	69,306
Revaluations	2,239,472
At 31 May 2017	2,500,000

The fair value of the investment property at 31 May 2017 has been determined by an independent valuer by reference to market evidence of expected rental yields for similar properties.

4 Debtors

Amounts falling due within one year:	2017 £	2016 £
Trade debtors	106,556	87,497
Corporation tax recoverable	-	58,916
Other debtors	97,447	15,457
	204,003	161,870

5 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	65,229	15,935
Other taxation and social security	34,583	14,092
Other creditors	587,747	611,704
Debenture loans	500,000	500,000
Accruals and deferred income	592,957	-
	1,780,516	1,141,731

The debenture loan is secured by a charge on the freehold property and other assets of the company.

Included in other creditors is a loan with a fixed and floating charge over the assets of the company amounting to £563,713 (2016: £607,593).

6 Other creditors falling due after one year

	2017 £	2016 £
Other creditors	-	398,230

7 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2017	Liabilities 2016
Balances:	**£**	**£**
Investment property	185,197	-

	2017
Movements in the year:	**£**
Liability at 1 June 2016	-
Charge to profit or loss	185,197
Liability at 31 May 2017	185,197

The deferred tax liability set out above is not expected to reverse within 12 months and relates to the revaluation of investment properties that are not expected to be sold within 12 months.

8 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
30,400 Ordinary 'A' shares of 50p each	15,200	15,200
100 Ordinary 'B' shares of £1 each	100	100
	15,300	15,300

Each share of both classes is entitled to one vote and to rank pari passu as regards dividends irrespective of the nominal value of the shares but on winding up each issued fully paid up share shall be repaid at its nominal value.

9 Audit report information

As the income statement 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 auditors' report was unqualified.

The senior statutory auditor was Lorenzo Mosca.
The auditor was Saffery Champness LLP.

10 Related party transactions

Remuneration of key management personnel

	2017	2016
	£	£
Aggregate compensation	105,028	67,675

Transactions with related parties

During the year interest amounting to £48,103 (2016: £45,547) was payable on the loans from related parties included within creditors. At the year end interest payable to related parties amounting to £368,364 (2016: 338,261) is included within other creditors.

The following amounts were outstanding at the reporting end date:

	2017	2016
Amounts owed to related parties	£	£
Entities with control, joint control or significant influence over the company	1,432,077	1,445,854