

**REGISTERED NUMBER: 00987160 (England and Wales)**

**Strategic Report, Report of the Directors and**

**Financial Statements**

**for the Year Ended 30th June 2018**

**for**

**Cirrus Research plc**

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**for the year ended 30th June 2018**

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**Cirrus Research plc**  
**Company Information**  
**for the year ended 30th June 2018**

**DIRECTORS:**

K D Frankish  
D S Wallis  
Mrs L M Wallis  
M J Williams

**SECRETARY:**

Mrs J E Louth

**REGISTERED OFFICE:**

Acoustic House  
Bridlington Road  
Hunmanby  
North Yorkshire  
YO14 0PH

**REGISTERED NUMBER:**

00987160 (England and Wales)

**AUDITORS:**

cbaSadofskys  
Statutory Auditors  
Princes House  
Wright Street  
Hull  
East Yorkshire  
HU2 8HX

**Strategic Report**  
**for the year ended 30th June 2018**

The directors present their strategic report for the year ended 30th June 2018.

**REVIEW OF BUSINESS**

In summary a pleasing set of results for the business. Revenue growth for 2016/2017 was higher than projected because of a large volume, low margin order from the Indian Government. Sales revenue for 2017/2018 increased again, by 7.6%. There was a marginal decrease in gross profit of 0.23% and an overall increase in net profit of 3.58%.

Considerable growth occurred in the UK market as a result of our plan to dominate two market sectors in particular. Larger than normal marketing budget was made available for these two market sectors leading to more sales enquiries and ultimately more sales, and we project the life time value of these markets to be considerable.

As expected export sales did not grow, partly because the last period contained an exceptionally large order. However sales visits overseas increased and a marketing plan is being launched for 2018/2019.

The full financial year's grace offered by our new owners, Scientific Measurements Pte Ltd, over the management charges expired at the start of the period resulting in an increase in line with their other group businesses.

**PRINCIPAL RISKS AND UNCERTAINTIES**

As an exporter we are constantly aware that any impact on the global economy could negatively affect our business. Our strategy has always been to reduce business risk by avoiding reliance on single products or markets. We are also conscious that changes in regulation across the world can significantly impact on trade and we ensure our products are fully compliant with the regulatory environment in each country we do business with.

The company is aware of the various financial risks faced in day to day business. The company has formulated an effective risk management policy to mitigate the adverse impact on its financial performance on account of various risks such as credit, foreign exchange, technology, fraud etc.

The small size of the operations and lean structure of the company does not necessitate the requirement to have a separate sub-committee of the Board of Directors for management of the risk policy. The Board of Directors however has laid down various policy initiatives for the operating personnel to manage risks.

**Credit Risk**

The company's exposure to credit risk is moderate and is managed through a mix of initiatives such as obtaining post dated cheques, entering into legally sound and enforceable agreements, monitoring of credit exposure within the limits fixed for various customers. The doubtful debts arising out of factors like dealer closure are immediately recognised and provided for in the accounts.

**Fraud Risk**

The company has low exposure to fraud risk with strong internal control systems.

**Strategic Report**  
**for the year ended 30th June 2018**

**FUTURE DEVELOPMENTS AND STRATEGY**

The intention for 2018/2019 is to once again grow sales revenue considerably. Preparations began for this late in 2017, some required higher than usual expenditure. A bespoke in-house management and sales training program was undertaken, leading to higher than normal training costs. Some key appointments were made in preparation for growth. An experienced Sales Manager was brought into the team in February, along with two more technical sales people. More sales enquiries are required in order to meet our revenue growth plans and the marketing department was increased by two people throughout the period plus their budget was increased. We also introduced a third employee to the team in Germany - an Office Manager. This recruitment drive has been costly and we suffered higher than normal agency fees.

New innovative product is considered to be key to our future so the decision was made to increase the number of design engineers, who will be developing our next family of acoustic instruments. Recruiting high quality design engineers in costal North Yorkshire continues to be a challenge. Our intention is to open a remote design office in the York / Leeds region as this area seems to be good for fresh graduates and has better transport links. Naturally this decision will increase costs.

Exports continue to be a concern, partly due to Brexit and partly due to price pressures from the market - both customers and suppliers. Much effort will be going into marketing overseas in the coming year plus a number of key territories have been highlighted for major effort.

**ON BEHALF OF THE BOARD:**

D S Wallis - Director

28th December 2018

**Report of the Directors**  
**for the year ended 30th June 2018**

The directors present their report with the financial statements of the company for the year ended 30th June 2018.

**DIVIDENDS**

Interim dividends totalling 28.421p per share were paid during the year. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30th June 2018 will be £ 210,000 .

**FUTURE DEVELOPMENTS**

These details have been provided in the company's strategic report.

**DIRECTORS**

The directors set out in the table below have held office during the whole of the period from 1st July 2017 to the date of this report.

The directors shown below were in office at 30th June 2018 but did not hold any interest in the Ordinary shares of £1 each at 1st July 2017 or 30th June 2018.

K D Frankish  
D S Wallis  
Mrs L M Wallis  
M J Williams

**FINANCIAL RISK MANAGEMENT**

These details are provided in the company's strategic report.

**CREDITORS**

The Company's policy is to make payment to suppliers in accordance with the terms of payment agreed at the time the contract of supply is made.

The company's creditors days at the year-end based upon the average daily amount invoiced by suppliers were 47 days.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

**Report of the Directors**  
**for the year ended 30th June 2018**

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, cbaSadofskys, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

D S Wallis - Director

28th December 2018

**Report of the Independent Auditors to the Members of**  
**Cirrus Research plc**

**Opinion**

We have audited the financial statements of Cirrus Research plc (the 'company') for the year ended 30th June 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 102 '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 30th June 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 Auditors' 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.

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

**Opinion 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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.



**Report of the Independent Auditors to the Members of**  
**Cirrus Research plc**

**Matters on which we are required to report by exception**

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 Strategic Report or the Report of the Directors.

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.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities, 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 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.

**Auditors' 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 a Report of the Auditors 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**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 a Report of the Auditors 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.

Alan Brocklehurst (Senior Statutory Auditor)  
for and on behalf of cbaSadofskys  
Statutory Auditors  
Princes House  
Wright Street  
Hull  
East Yorkshire  
HU2 8HX

28th December 2018

**Statement of Comprehensive Income**  
**for the year ended 30th June 2018**

	Notes	2018 £	£	2017 £	£
<b>TURNOVER</b>	3		<b>4,294,057</b>		3,990,627
Cost of sales			<u>2,602,087</u>		<u>2,421,525</u>
<b>GROSS PROFIT</b>			<b>1,691,970</b>		1,569,102
Distribution costs		2,042		4,107	
Administrative expenses		<u>1,500,656</u>		<u>1,504,813</u>	
			<u>1,502,698</u>		<u>1,508,920</u>
			<b>189,272</b>		60,182
Other operating income			<u>90,386</u>		<u>41,138</u>
<b>OPERATING PROFIT</b>	5		<b>279,658</b>		101,320
Interest receivable and similar income			<u>4,139</u>		<u>215</u>
			<b>283,797</b>		101,535
Interest payable and similar expenses	6		<u>7,793</u>		<u>-</u>
<b>PROFIT BEFORE TAXATION</b>			<b>276,004</b>		101,535
Tax on profit	7		<u>(42,589)</u>		<u>(51,961)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>			<b>318,593</b>		153,496
<b>OTHER COMPREHENSIVE INCOME</b>			<u>-</u>		<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME</b>					
<b>FOR THE YEAR</b>			<u><b>318,593</b></u>		<u>153,496</u>

The notes form part of these financial statements

**Balance Sheet**  
**30th June 2018**

	Notes	2018 £	£	2017 £	£
<b>FIXED ASSETS</b>					
Intangible assets	9		1		1
Tangible assets	10		183,941		172,051
Investments	11		24,440		24,440
			<u>208,382</u>		<u>196,492</u>
<b>CURRENT ASSETS</b>					
Stocks	12	463,309		344,907	
Debtors	13	1,387,817		1,062,135	
Cash at bank and in hand		<u>264,366</u>		<u>283,364</u>	
		2,115,492		1,690,406	
<b>CREDITORS</b>					
Amounts falling due within one year	14	<u>621,255</u>		<u>413,472</u>	
<b>NET CURRENT ASSETS</b>			<u>1,494,237</u>		<u>1,276,934</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,702,619		1,473,426
<b>CREDITORS</b>					
Amounts falling due after more than one year	15		<u>120,600</u>		<u>-</u>
<b>NET ASSETS</b>			<u>1,582,019</u>		<u>1,473,426</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		950,000		950,000
Retained earnings	20		<u>632,019</u>		<u>523,426</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>1,582,019</u>		<u>1,473,426</u>

The financial statements were approved by the Board of Directors on 28th December 2018 and were signed on its behalf by:

D S Wallis - Director

**Statement of Changes in Equity**  
**for the year ended 30th June 2018**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 1st July 2016</b>	950,000	369,930	1,319,930
<b>Changes in equity</b>			
Total comprehensive income	-	153,496	153,496
<b>Balance at 30th June 2017</b>	<u>950,000</u>	<u>523,426</u>	<u>1,473,426</u>
<b>Changes in equity</b>			
Dividends	-	(210,000)	(210,000)
Total comprehensive income	-	318,593	318,593
<b>Balance at 30th June 2018</b>	<u>950,000</u>	<u>632,019</u>	<u>1,582,019</u>

The notes form part of these financial statements

**Cash Flow Statement**  
**for the year ended 30th June 2018**

	Notes	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(88,852)	371,838
Interest paid		(7,793)	-
Tax paid		125,799	(87,830)
Net cash from operating activities		<u>29,154</u>	<u>284,008</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		-	(1)
Purchase of tangible fixed assets		(52,685)	(25,032)
Interest received		4,139	215
Net cash from investing activities		<u>(48,546)</u>	<u>(24,818)</u>
<b>Cash flows from financing activities</b>			
New loans in year		167,000	-
Loan repayments in year		(16,606)	(116,207)
Equity dividends paid		(150,000)	-
Net cash from financing activities		<u>394</u>	<u>(116,207)</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(18,998)</u>	<u>142,983</u>
<b>Cash and cash equivalents at beginning of year</b>	2	283,364	140,381
<b>Cash and cash equivalents at end of year</b>	2	<u>264,366</u>	<u>283,364</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement**  
**for the year ended 30th June 2018**

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Profit before taxation	<b>276,004</b>	101,535
Depreciation charges	<b>40,795</b>	39,691
Finance costs	<b>7,793</b>	-
Finance income	<b>(4,139)</b>	(215)
	<b>320,453</b>	141,011
(Increase)/decrease in stocks	<b>(118,402)</b>	34,882
(Increase)/decrease in trade and other debtors	<b>(409,588)</b>	237,147
Increase/(decrease) in trade and other creditors	<b>118,685</b>	(41,202)
<b>Cash generated from operations</b>	<b><u>(88,852)</u></b>	<b><u>371,838</u></b>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 30th June 2018**

	<b>30/6/18</b>	<b>1/7/17</b>
	<b>£</b>	<b>£</b>
Cash and cash equivalents	<b><u>264,366</u></b>	<b><u>283,364</u></b>

**Year ended 30th June 2017**

	<b>30/6/17</b>	<b>1/7/16</b>
	<b>£</b>	<b>£</b>
Cash and cash equivalents	<b><u>283,364</u></b>	<b><u>140,381</u></b>

**Notes to the Financial Statements**  
**for the year ended 30th June 2018**

**1. STATUTORY INFORMATION**

Cirrus Research plc is a private company, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Turnover**

Turnover represents net invoiced sales of goods and services, excluding value added tax.

Sale of goods are recognised when the goods are delivered.

Service sales are recognised when the product has been repaired or serviced and returned to the customer.

**Intangible assets**

Intangible assets are measured at cost.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- 5% on cost
Plant and machinery	- 15% on cost
Fixtures and fittings	- 15% on cost
Computer equipment	- 33% on cost

**Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost.

**Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Stock is on a first in first out basis.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Notes to the Financial Statements - continued**  
**for the year ended 30th June 2018**

**2. ACCOUNTING POLICIES - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

**3. TURNOVER**

An analysis of turnover by geographical market is given below :

	2018	2017
Sales - United Kingdom	1,839,924	1,456,742
Sales - Europe	1,276,073	1,007,019
Sales - Rest of World	1,178,060	1,526,866
	<u>4,294,057</u>	<u>3,990,627</u>

**4. EMPLOYEES AND DIRECTORS**

	2018	2017
	£	£
Wages and salaries	1,319,652	1,239,383
Social security costs	22,735	37,341
Other pension costs	154,487	183,890
	<u>1,496,874</u>	<u>1,460,614</u>



**Notes to the Financial Statements - continued**  
**for the year ended 30th June 2018**

**4. EMPLOYEES AND DIRECTORS - continued**

The average number of employees during the year was as follows:

	2018	2017
Office and Administration	22	18
Test and Production	10	9
Research and Development	9	6
	<u>41</u>	<u>33</u>

	2018	2017
	£	£
Directors' remuneration	<u>198,057</u>	<u>268,369</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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**5. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation - owned assets	40,795	39,691
Auditors' remuneration	1,850	1,850
Foreign exchange differences	<u>(90,386)</u>	<u>(41,138)</u>

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2018	2017
	£	£
Loan interest	<u>7,793</u>	<u>-</u>

**7. TAXATION**

**Analysis of the tax credit**

The tax credit on the profit for the year was as follows:

	2018	2017
	£	£
Current tax:		
UK corporation tax	(50,320)	(60,388)
Other taxation	<u>7,731</u>	<u>8,427</u>
Tax on profit	<u>(42,589)</u>	<u>(51,961)</u>

**8. DIVIDENDS**

	2018	2017
	£	£
Interim	<u>210,000</u>	<u>-</u>

**Notes to the Financial Statements - continued**  
**for the year ended 30th June 2018**

**9. INTANGIBLE FIXED ASSETS**

	<b>Patents and licences £</b>
<b>COST</b>	
At 1st July 2017 and 30th June 2018	<u>1</u>
<b>NET BOOK VALUE</b>	
At 30th June 2018	<u>1</u>
At 30th June 2017	<u>1</u>

**10. TANGIBLE FIXED ASSETS**

	<b>Long leasehold £</b>	<b>Plant and machinery £</b>	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Totals £</b>
<b>COST</b>					
At 1st July 2017	103,798	222,698	65,118	176,026	567,640
Additions	15,670	13,708	2,808	20,499	52,685
At 30th June 2018	<u>119,468</u>	<u>236,406</u>	<u>67,926</u>	<u>196,525</u>	<u>620,325</u>
<b>DEPRECIATION</b>					
At 1st July 2017	30,825	147,844	59,632	157,288	395,589
Charge for year	5,255	20,787	2,733	12,020	40,795
At 30th June 2018	<u>36,080</u>	<u>168,631</u>	<u>62,365</u>	<u>169,308</u>	<u>436,384</u>
<b>NET BOOK VALUE</b>					
At 30th June 2018	<u>83,388</u>	<u>67,775</u>	<u>5,561</u>	<u>27,217</u>	<u>183,941</u>
At 30th June 2017	<u>72,973</u>	<u>74,854</u>	<u>5,486</u>	<u>18,738</u>	<u>172,051</u>

**11. FIXED ASSET INVESTMENTS**

	<b>Shares in group undertakings £</b>
<b>COST</b>	
At 1st July 2017 and 30th June 2018	<u>24,440</u>
<b>NET BOOK VALUE</b>	
At 30th June 2018	<u>24,440</u>
At 30th June 2017	<u>24,440</u>

**Notes to the Financial Statements - continued**  
**for the year ended 30th June 2018**

**11. FIXED ASSET INVESTMENTS - continued**

The company's investments at the Balance Sheet date in the share capital of companies include the following:

**Cirrus Research S.L.**

Registered office:

Nature of business:

	% holding	2018 £	2017 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		(165,940)	(177,406)
Profit for the year		<u>13,783</u>	<u>7,589</u>

**Cirrus Research France SAS**

Registered office: 679 avenue de la Republique, 59800 Lille

Nature of business:

	% holding	2018 £	2017 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		(4,169)	(3,641)
Loss for the year		<u>(1,502)</u>	<u>(16,583)</u>

Both Cirrus Research S.L. and Cirrus Research France SAS are not consolidated within these accounts as the company has taken advantage of the exemption shown in note 21 of these accounts.

**12. STOCKS**

	2018 £	2017 £
Raw materials	292,227	203,231
Finished goods	<u>171,082</u>	<u>141,676</u>
	<u>463,309</u>	<u>344,907</u>

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Trade debtors	709,356	563,965
Other debtors	572,598	322,268
Taxation	50,320	134,226
Prepayments	<u>55,543</u>	<u>41,676</u>
	<u>1,387,817</u>	<u>1,062,135</u>

**Notes to the Financial Statements - continued**  
**for the year ended 30th June 2018**

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts (see note 16)	<b>29,794</b>	-
Trade creditors	<b>438,178</b>	287,485
Taxation	<b>7,731</b>	8,427
Social security and other taxes	<b>30,781</b>	57,842
Amount owed to parent company	<b>60,000</b>	-
Accrued expenses	<b>54,771</b>	59,718
	<b><u>621,255</u></b>	<b><u>413,472</u></b>

**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Bank loans (see note 16)	<b><u>120,600</u></b>	<u>-</u>

**16. LOANS**

An analysis of the maturity of loans is given below:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year or on demand:		
Bank loan	<b><u>29,794</u></b>	<u>-</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<b><u>32,178</u></b>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<b><u>88,422</u></b>	<u>-</u>

**17. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Within one year	<b>45,302</b>	40,010
Between one and five years	<b>141,226</b>	142,163
In more than five years	<b><u>237,500</u></b>	<u>267,500</u>
	<b><u>424,028</u></b>	<b><u>449,673</u></b>

**18. SECURED DEBTS**

All bank and mortgage borrowing is secured by a fixed charge over the company's fixed assets and book debts and a floating charge over all assets of the company.

**Notes to the Financial Statements - continued**  
**for the year ended 30th June 2018**

**19. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018 £	2017 £
950,000	Ordinary	£1	<u>950,000</u>	<u>950,000</u>

**20. RESERVES**

	Retained earnings £
At 1st July 2017	523,426
Profit for the year	318,593
Dividends	<u>(210,000)</u>
At 30th June 2018	<u>632,019</u>

**21. ULTIMATE PARENT COMPANY**

The company is a wholly owned subsidiary of Scientific Measurements Pte Ltd. a company incorporated in Singapore.

**22. RELATED PARTY DISCLOSURES**

During the year the company incurred management charges of £173,942 (2017: £95,546) due to the ultimate parent company Scientific Measurements Pte. This charge is based on 4% of the total sales during the year.

At the end of the year the company owed £24,774 (2017: £5,314) to Scientific Measurements Pte.

During the year, the company also purchased trade supplies from Contract Production Limited, a company with a common directorship in Mrs L Wallis. Total purchases in the year were £858,661 (2017: £966,073). At the balance sheet date, £174,811 (2017: £155,291) was outstanding.

During the year, the company traded on normal commercial terms with Pulsar Instruments plc, a company with a common directorship in Mrs L Wallis. Total purchases in the year were credits of £34 (2017: £1,451). Total sales to Pulsar Instruments plc during the year were £123,350 (2017: £79,705).

At the end of the year the company owed £719 (2017: £659) to Pulsar Instruments plc and was owed £58,421 (2017: £49,205) from Pulsar Instruments plc.

**23. EXEMPTION FROM PREPARING GROUP ACCOUNTS**

The company has taken advantage of the exemption from preparing group accounts provided by Section 401 of the Companies Act 2006. The company's results are consolidated in the accounts for Scientific Measurements Pte Ltd, a company incorporated in Singapore whose registered office address is:

Scientific Measurements Pte Ltd.  
#25-06 Shaw Towers  
100 Beach Road  
Singapore  
189702

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.