

Registered number

00708818

HCD Research Limited

Filleted Accounts

31 March 2022

HCD Research Limited**Registered number:** 00708818**Balance Sheet as at 31 March 2022**

	Notes	2022 £	2021 £
Fixed assets			
Intangible assets	6	58,382	52,684
Tangible assets	7	131,118	130,053
Investments	8	7,500	7,500
		<u>197,000</u>	<u>190,237</u>
Current assets			
Stocks	9	220,620	152,886
Debtors	10	165,781	177,446
Cash at bank and in hand		89,315	173,827
		<u>475,716</u>	<u>504,159</u>
Creditors: amounts falling due within one year	11	(340,359)	(344,890)
Net current assets		<u>135,357</u>	<u>159,269</u>
Total assets less current liabilities		<u>332,357</u>	<u>349,506</u>
Creditors: amounts falling due after more than one year	12	(107,188)	(169,283)
Provisions for liabilities	13	(8,643)	(4,738)
Net assets		<u>216,526</u>	<u>175,485</u>
Capital and reserves			
Called up share capital		29,363	29,363
Share premium		15,886	15,886
Other reserves		21,105	21,105
Profit and loss account		150,172	109,131
Shareholders' funds		<u>216,526</u>	<u>175,485</u>

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared and delivered in accordance with the special provisions applicable to companies subject to the small companies regime. The profit and loss account has not been delivered to the Registrar of Companies.

T. E. REYNOLDS FCA

Director

Approved by the board on 30 December 2022

The notes attached for part of these accounts

HCD Research Limited
Notes to the Accounts
for the year ended 31 March 2022

1 Accounting policies

Statement of compliance

HCD Research Limited ('the Company') is a private limited liability company incorporated in England and Wales. The Company's registration number is 00708818 and the address of the registered office is 179 Junction Road, Burgess Hill, West Sussex, RH15 0JW. The principle activity of the Company in the year under review was the design and manufacture of precision crystal oscillators and frequency standards

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (as applied to small entities by section 1A of the standard).

The financial statements have been prepared under the historical cost convention. The presentation currency is £ sterling

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Intangible fixed assets

Intangible fixed assets comprise:-

- Product designs purchased from third parties measured at cost less accumulative amortisation based on a five year write off .
- Development costs of specific products which are expected to provide revenue for several years. These costs are being amortised over the sales of the relevant products.
- Specialised operating software which is being written off over three years.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery	over 5 years
Fixtures, fittings, tools and equipment	over 5 years
Computing equipment	over 3 years

Investments

Investments in subsidiaries, associates and joint ventures are measured at cost less any accumulated impairment losses. Listed investments are measured at fair value. Unlisted investments are measured at fair value unless the value cannot be measured reliably, in which case they are measured at cost less any accumulated impairment losses. Changes in fair value are included in the profit and loss account.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost, which comprise direct production costs, are based on the method most appropriate to the type of inventory class, but usually on a weighted average cost basis. Overheads are charged to profit and loss as incurred. Estimated selling price less costs to complete and sell is based on the estimated selling price of the goods less any estimated completion or selling costs likely to be incurred on the sale.

When stocks are sold, the carrying amount of those stocks is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of stocks to estimated selling price less costs to complete and sell and all losses of stocks are recognised as an expense in the period in which the write-down or loss occur. The amount of any reversal of any write-down of stock is recognised as a reduction in the amount of stocks recognised as an expense in the period in which the reversal occurs.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities.

Interest bearing borrowings

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment. Any difference between the amount initially recognised and redemption value is recognised in profit and loss together with any interest and fees payable.

Provisions

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Grants receivable

Revenue grants from government or other sources are credited to the Income Statement in the period in which the grant aided expenditure has been incurred.

Employee benefits - pensions

The obligations for contributions to defined contribution scheme are recognised as an expense as incurred. The assets of the scheme are held separately from those of the Company in an independent administered fund.

2 Other operating income	2022	2021
	£	£
Rent received	6,437	5,949
Innovate UK Covid Continuity grant	-	48,000
Covid Job Retention Scheme	6,450	12,511
Covid Business Interruption Loan Scheme	5,800	3,719
	<u>18,687</u>	<u>70,179</u>
3 Finance costs (net)	2022	2021
	£	£
Interest receivable and similar income	3	19
Interest payable and similar charges	(13,763)	(10,022)
	<u>(13,760)</u>	<u>(10,003)</u>

Interest receivable and similar income

Bank and other interest receivable	3	19
Income from investments		
	<u>3</u>	<u>19</u>

Interest payable and similar charges

Bank and other interest payable	(919)	(845)
Loan interest payable	(10,339)	(7,503)
Loan costs written off	(2,505)	(1,674)
	<u>(13,763)</u>	<u>(10,022)</u>

4 Employees

**2022
Number** **2021
Number**

Average number of persons employed by the company	<u>12</u>	<u>11</u>
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5 Tax on profit/(loss) on ordinary activities

**2022
£** **2021
£**

Current tax charge/(credit)

Charge/(credit) for the current year	(7,301)	(13,289)
	<u>(7,301)</u>	<u>(13,289)</u>

Deferred tax charge/(credit)

Origination and reversal of timing differences	1,921	755
	<u>1,921</u>	<u>755</u>
	<u>(5,380)</u>	<u>(12,534)</u>

6 Intangible fixed assets

	Product designs and know how	Product development costs	Operating software	Total
	£	£	£	£
Cost				
At 1 April 2021	40,000	39,016	13,084	92,100
Additions	-	11,520	1,135	12,655
At 31 March 2022	<u>40,000</u>	<u>50,536</u>	<u>14,219</u>	<u>104,755</u>
Amortisation				
At 1 April 2021	39,333	-	83	39,416
Provided during the year	667	1,873	4,417	6,957
At 31 March 2022	<u>40,000</u>	<u>1,873</u>	<u>4,500</u>	<u>46,373</u>

Net book value

At 31 March 2022	-	48,663	9,719	58,382
At 31 March 2021	667	39,016	13,001	52,684

7 Tangible fixed assets

	Plant and machinery etc £	Furniture and equipment etc £	Total £
Cost or valuation			
At 1 April 2021	430,006	73,136	503,142
Additions	37,429	1,704	39,133
At 31 March 2022	467,435	74,840	542,275
Depreciation			
At 1 April 2021	304,662	68,427	373,089
Charge for the year	35,758	2,310	38,068
At 31 March 2022	340,420	70,737	411,157
Net book value			
At 31 March 2022	127,015	4,103	131,118
At 31 March 2021	125,344	4,709	130,053

Cost or valuation at 31st March 2021 comprises:-

	£	£	£
Valuation in 2016	70,891	-	70,891
Cost	396,544	74,840	471,384
	467,435	74,840	542,275

8 Investments

	Investments in subsidiary undertakings £
Cost	
At 1 April 2021	7,500
At 31 March 2022	7,500
Historical cost	
At 1 April 2021	7,500
At 31 March 2022	7,500

At 31 March 2022 the Company owned the whole of the issued share capital of HCD Engineering

Limited (registration number 01098969 - England and Wales) which has been dormant for both 2022 and 2021

9 Inventories	2022	2021
	£	£
Raw materials and components	155,234	89,561
Work in progress	36,711	6,538
Finished goods	28,675	56,787
	<u>220,620</u>	<u>152,886</u>

10 Debtors	2022	2021
	£	£
Trade debtors	89,597	109,099
Amounts owed by group undertakings and undertakings in which the company has a participating interest	9,046	9,046
UK Corporation Tax	21,652	26,554
Innovate UK grant claims	17,022	19,894
Other debtors	28,464	12,853
	<u>165,781</u>	<u>177,446</u>

11 Creditors: amounts falling due within one year	2022	2021
	£	£
Bank loans and overdrafts	62,096	39,307
Trade creditors	98,574	127,549
Amounts owed to group undertakings and undertakings in which the company has a participating interest	7,500	7,500
Taxation and social security costs	5,455	5,659
Other creditors	165,546	130,614
Accruals and deferred income	1,188	34,261
	<u>340,359</u>	<u>344,890</u>

12 Creditors: amounts falling due after one year	2022	2021
	£	£
Bank loans	<u>107,188</u>	<u>169,283</u>

In October 2020 the Company took out a Coronavirus Business Interruption Loan from the Funding Circle. The loan was for £150,000 and is repayable over five years with the last payment being made in October 2025. No capital or interest payments are due to be made in the first twelve months of the loan period. The first year's interest payments and the loan fees have been funded by the UK Government

13 Deferred taxation	2022	2021
	£	£
At 1 April 2021	4,738	7,094
Charge/(credit) for year (Note 6)	1,921	755
Transfer from/(to) current taxation	1,984	(3,111)
	<u>8,643</u>	<u>4,738</u>

14 Share capital	2022	2021
	£	£
Allotted, issued and fully paid:		
19,748 A Ordinary shares of £1 each	19,748	19,748
8,147 B Ordinary shares of £1 each	8,147	8,147
1,468 C Ordinary shares of £1 each	16	16
363 E Ordinary shares of £1 each	363	363
363 O Ordinary shares of £1 each	363	363
363 T Ordinary shares of £1 each	363	363
363 R Ordinary shares of £ each	363	363
	<u>29,363</u>	<u>29,363</u>

All classes of share rank pari pasu in all respects with the other classes of shares.

15 Related party transactions

The directors have provided funds to the company to finance operations and the purchase of capital equipment. These funds are interest free and are repayable on demand.

	2022	2021
	£	£
At 31st March the total of such advances was	<u>164,623</u>	<u>129,881</u>

During the year payments totalling £6,411 (2021 - £7,973) for invoiced services have been made to KCL Management Services Ltd which is a company in which Mr T. E. Reynolds is a majority shareholder.

16 Controlling party

The Company is a subsidiary undertaking of HCD Holdings Ltd (registration number 09913404 - England and Wales). The directors regard HCD Holdings Ltd as the Company's ultimate holding company.

17 Other information

HCD Research Limited is a private company limited by shares and incorporated in England. Its registered office is:

HCD Research Ltd
179 Junction Road
Burgess Hill
West Sussex
RH15 0JW

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