

Registered number

00708818

HCD Research Limited

Filleted Accounts

31 March 2021

HCD Research Limited**Registered number:** 00708818**Balance Sheet as at 31 March 2021**

	Notes	2021	2020
		£	£
Fixed assets			
Intangible assets	6	52,684	47,683
Tangible assets	7	130,052	82,835
Investments	8	7,500	7,500
		<u>190,236</u>	<u>138,018</u>
Current assets			
Stocks	9	152,886	174,598
Debtors	10	177,446	114,528
Cash at bank and in hand		173,827	71,093
		<u>504,159</u>	<u>360,219</u>
Creditors: amounts falling due within one year	11	(344,889)	(225,065)
Net current assets		<u>159,270</u>	<u>135,154</u>
Total assets less current liabilities		<u>349,506</u>	<u>273,172</u>
Creditors: amounts falling due after more than one year	12	(169,283)	(58,590)
Provisions for liabilities		(4,738)	(7,094)
Net assets		<u>175,485</u>	<u>207,488</u>
Capital and reserves			
Called up share capital		29,363	29,363
Share premium		15,886	15,886
Revaluation reserve		-	9,514
Other reserves		21,105	21,105
Profit and loss account		109,131	131,620
Shareholders' funds		<u>175,485</u>	<u>207,488</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 2021

The notes attached for part of these accounts

HCD Research Limited
Notes to the Accounts
for the year ended 31 March 2021

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 and know how 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 amortised over the lower of five years or the expected life of the produce life cycle commencing when the product is introduced to the market. Costs after that point are written off as incurred.
- 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	2021	2020
	£	£
Rent received	5,949	5,852
Innovate UK Covid Continuity grant	48,000	-
Covid Job Retention Scheme	12,511	-
Covid Business Interruption Loan Scheme	3,719	-
	<u>70,179</u>	<u>5,852</u>
3 Finance costs (net)	2021	2020
	£	£
Interest receivable and similar income	19	44
Interest payable and similar charges	(10,022)	(7,369)
	<u>(10,003)</u>	<u>(7,325)</u>

Interest receivable and similar income

Bank interest receivable	19	44
	<u>19</u>	<u>44</u>

Interest payable and similar charges

Bank interest payable	(845)	(502)
Loan interest payable	(7,503)	(5,787)
Loan costs written off	(1,674)	(1,080)
	<u>(10,022)</u>	<u>(7,369)</u>

4 Employees**2021****2020****Number****Number**

Average number of persons employed by the company

1111**5 Tax on profit/(loss) on ordinary activities****2021****2020****£****£****Current tax charge/(credit)**

Charge/(credit) for the current year

(13,289)

2,165

(13,289)2,165**Deferred tax charge/(credit)**

Origination and reversal of timing differences

755

(3,386)

755(3,386)(12,534)(1,221)**6 Intangible fixed assets****Product
designs
and know
how****£****Product
development
costs****£****Operating
software****£****Total****£****Cost**

At 1 April 2020

40,000

39,016

-

79,016

Additions

-

-

13,084

13,084

At 31 March 2021

40,00039,01613,08492,100**Amortisation**

At 1 April 2020

31,333

-

-

31,333

Provided during the year

8,000-838,083

At 31 March 2021	39,333	-	83	39,416
Net book value				
At 31 March 2021	667	39,016	13,001	52,684
At 31 March 2020	8,667	39,016	-	47,683

7 Tangible fixed assets

	Plant and machinery etc	Furniture and equipment etc	Total
	£	£	£
Cost or valuation			
At 1 April 2020	351,607	69,175	420,782
Additions	78,399	3,960	82,359
At 31 March 2021	430,006	73,135	503,141
Depreciation			
At 1 April 2020	271,518	66,429	337,947
Charge for the year	33,144	1,998	35,142
At 31 March 2021	304,662	68,427	373,089
Net book value			
At 31 March 2021	125,344	4,708	130,052
At 31 March 2020	80,089	2,746	82,835

Cost or valuation at 31st March 2021 comprises:-

	£	£	£
Valuation in 2016	70,891	-	70,891
Cost	359,115	73,135	432,250
	430,006	73,135	503,141

8 Investments

	Investments in subsidiary undertakings
	£
Cost	
At 1 April 2020	7,500
At 31 March 2021	7,500
Historical cost	
At 1 April 2020	7,500
At 31 March 2021	7,500

At 31 March 2021 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 2021 and 2020

9 Inventories	2021	2020
	£	£
Raw materials and components	89,561	102,820
Work in progress	6,538	22,165
Finished goods	56,787	49,613
	<u>152,886</u>	<u>174,598</u>

10 Debtors	2021	2020
	£	£
Trade debtors	109,099	66,030
Amounts owed by group undertakings and undertakings in which the company has a participating interest	9,046	9,046
UK Corporation Tax	26,554	17,096
Innovate UK grant claims	19,894	20,312
Other debtors	12,853	2,044
	<u>177,446</u>	<u>114,528</u>

11 Creditors: amounts falling due within one year	2021	2020
	£	£
Bank loans and overdrafts	39,307	23,548
Trade creditors	127,548	54,269
Amounts owed to group undertakings and undertakings in which the company has a participating interest	7,500	7,500
Taxation and social security costs	5,659	4,651
Other creditors	130,614	134,442
Accruals and deferred income	34,261	655
	<u>344,889</u>	<u>225,065</u>

12 Creditors: amounts falling due after one year	2021	2020
	£	£
Bank loans	<u>169,283</u>	<u>58,590</u>

In October 2020 the Company took out a Coronavirus Business Interruption Loan from the Funding Circle. The loan is 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 paid by the UK Government

13 Share capital	2021	2020
	£	£
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.

14 Other financial commitments	2021	2020
	£	£
Total future minimum payments under non-cancellable operating leases		
Leasehold property - leases expiring within 2 - 5 years	-	20,833
	<u>-</u>	<u>20,833</u>

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.

	2021	2020
	£	£
At 31st March the total of such advances was	<u>129,881</u>	<u>133,736</u>

During the year payments totalling £7,973 (2020 - £5,217) 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

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.