

Company Registration No. 01830061 (England and Wales)

ADVANCED INSTRUMENTS LTD.
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2019

WEDNESDAY



A9H485SY

A13

04/11/2020

#117

COMPANIES HOUSE

ADVANCED INSTRUMENTS LTD.

COMPANY INFORMATION

Directors	J S Smith B Selman S M Hanlon
Secretary	Gravitas Company Secretarial Services Limited
Company number	01830061
Registered office	5th Floor One New Change London EC4M 9AF
Auditor	RSM UK Audit LLP Chartered Accountants 3rd Floor Portland 25 High Street Crawley West Sussex RH10 1BG

ADVANCED INSTRUMENTS LTD.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities

The principal activity of the company continued to be that of the supply of scientific instruments to pathology, pharmaceutical, and university laboratories.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A R Garratt

(Resigned 23 April 2019)

J S Smith

B Selman

S M Hanlon

Results and dividends

Ordinary dividends were paid amounting to £582,898 (2018: £950,000). The directors do not recommend payment of a final dividend.

Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Going concern

Advanced Instruments Limited has had a successful Q1 2020 however as we move in Q2 2020 we have seen a decrease in daily orders for consumables, which is generally assumed to be as a result of the reduction in GP work and therefore a reduction in the number of tests being ordered through our instruments. Expected instrument orders continue to be received although the installation and subsequent invoicing of these is delayed to due restrictions by Trusts and laboratories preventing non-urgent equipment support on site.

At time of writing the Company has a strong 2020 instrument pipeline and revenues are 104.8% of YTD budget. Our asset position remains strong with positive cash at bank and inventory levels. Receipts of goods from overseas suppliers is currently taking an additional two days due to travel restrictions. There has been no change in payments being received from customers. Credit Control policies remain in place.

Office based staff have been working from home since 18th March with one person in the office to ensure all shipments are sent and any deliveries can be received. We are currently working towards 1st June 2020 as a phased "return to work" date.

Our service engineers are attending sites in the event of a critical breakdown and at the express request of the site. All preventative maintenance visits that have not been carried out due to Covid-19 are being rescheduled and we are beginning to see hospital sites return to allowing our engineer visits.

The Directors are confident that Advanced Instruments Limited remains a going concern and as GPs, hospitals and laboratories adjust to the new normal we will see a return to previous levels of consumables orders and new instrument installations.

ADVANCED INSTRUMENTS LTD.

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board


.....
J S Smith
Director

Date: 28th MAY 2020

ADVANCED INSTRUMENTS LTD.

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

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 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;
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADVANCED INSTRUMENTS LTD.

Opinion

We have audited the financial statements of Advanced Instruments Ltd. (the 'company') for the year ended 31 December 2019 which comprise the statement of income and retained earnings, the statement of financial position and 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 FRS 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 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 auditor's 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADVANCED INSTRUMENTS LTD. (CONTINUED)

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 directors' report.

We have nothing to report in respect of the following matters in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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 is 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.

Auditor's 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 an auditor's report 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 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.



Geoff Wightwick BA FCA (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

3rd Floor

Portland

25 High Street

Crawley

West Sussex, RH10 1BG

28 May 2020

ADVANCED INSTRUMENTS LTD.

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Turnover		6,183,320	4,752,420
Cost of sales		(3,577,915)	(2,801,024)
Gross profit		2,605,405	1,951,396
Distribution costs		(517,208)	(306,522)
Administrative expenses		(718,552)	(743,551)
Operating profit	5	1,369,645	901,323
Interest receivable and similar income		1,641	1,277
Profit before taxation		1,371,286	902,600
Taxation	6	(260,725)	(164,181)
Profit for the financial year		1,110,561	738,419
Retained earnings brought forward		1,090,097	1,301,678
Dividends		(582,898)	(950,000)
Retained earnings carried forward		1,617,760	1,090,097

ADVANCED INSTRUMENTS LTD.**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2019**

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	7		51,338		48,359
Current assets					
Stocks		583,476		775,092	
Debtors	8	719,097		372,125	
Cash at bank and in hand		1,301,747		864,237	
		2,604,320		2,011,454	
Creditors: amounts falling due within one year	9	(1,029,657)		(962,112)	
Net current assets			1,574,663		1,049,342
Total assets less current liabilities			1,626,001		1,097,701
Provisions for liabilities	10		(8,136)		(7,499)
Net assets			1,617,865		1,090,202
Capital and reserves					
Called up share capital	11		70		70
Capital redemption reserve			35		35
Profit and loss reserves			1,617,760		1,090,097
Total equity			1,617,865		1,090,202

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

The financial statements were approved by the board of directors and authorised for issue on 29.05.2020 and are signed on its behalf by:


J S Smith
Director

ADVANCED INSTRUMENTS LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Advanced Instruments Ltd. is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 5th Floor, Once New Change, London, EC4M 9AF.

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 Company has adopted the amendments to FRS 102 published in the Triennial Review 2017. The reported financial position and financial performance for the current year has not been affected by the adoption of the amendments.

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. The principal accounting policies adopted are set out below.

Going concern

As the company continues to trade profitably, the company's directors have a reasonable expectation that the company will be able to continue to operate for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Turnover is recognised as earned when, and to extent that, the company obtains the right to consideration in exchange for its performance under these contracts. It is measured at the fair value of the right to consideration, which represents amounts chargeable to customers.

Revenue in respect of maintenance support contracts are recognised straight line over the life of the contractual term.

Tangible fixed assets

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

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

Leasehold land and buildings	Straight line over 10 years
Plant and machinery	Straight line over 3 years
Office equipment	Straight line over 7 years

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.

ADVANCED INSTRUMENTS LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

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.

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 stock 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.

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 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.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost.

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 trade and other creditors, are initially recognised at transaction price.

Equity instruments

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

ADVANCED INSTRUMENTS LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

ADVANCED INSTRUMENTS LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The directors do not consider there to be any significant judgements nor key sources of estimation uncertainty that affect the financial statements.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 12 (2018: 12).

4 Directors' remuneration

	2019 £	2018 £
Remuneration paid to directors	222,865	248,616

5 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	16,000	13,000

6 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	260,088	168,704
Adjustments in respect of prior periods	-	(7,020)
Total current tax	260,088	161,684
Deferred tax		
Origination and reversal of timing differences	637	2,497
Total tax charge	260,725	164,181

ADVANCED INSTRUMENTS LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

7 Tangible fixed assets

	Leasehold land and buildings	Plant and machinery	Office equipment	Total
	£	£	£	£
Cost				
At 1 January 2019	11,995	78,380	45,275	135,650
Additions	-	31,192	-	31,192
At 31 December 2019	11,995	109,572	45,275	166,842
Depreciation				
At 1 January 2019	4,787	48,961	33,543	87,291
Depreciation charged in the year	1,201	23,705	3,307	28,213
At 31 December 2019	5,988	72,666	36,850	115,504
Carrying amount				
At 31 December 2019	6,007	36,906	8,425	51,338
At 31 December 2018	7,208	29,419	11,732	48,359

8 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	675,291	345,334
Other debtors	43,806	26,791
	<u>719,097</u>	<u>372,125</u>

Other debtors include an amount of £7,500 (2018: £7,500) which is due after more than one year.

9 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	99,791	147,589
Amounts owed to group undertakings	97,109	201,777
Corporation tax	140,281	75,608
Other taxation and social security	187,078	154,234
Accruals and deferred income	505,398	382,904
	<u>1,029,657</u>	<u>962,112</u>

ADVANCED INSTRUMENTS LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

10 Provisions - deferred taxation

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

	Liabilities 2019 £	Liabilities 2018 £
Balances:		
Accelerated capital allowances	8,136	7,499
Movements in the year:		2019 £
Liability at 1 January 2019		7,499
Charge to profit or loss		637
Liability at 31 December 2019		8,136

The deferred tax liability set out above is expected to reverse within 36 months and relates to accelerated capital allowances that are expected to mature within the same period.

11 Called up share capital

	2019 £	2018 £
Ordinary share capital Issued and fully paid 70 Ordinary of £1 each	70	70

12 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	39,612	31,140
Between one and five years	40,576	14,180
	80,188	45,320

13 Events after the reporting date

There are current uncertainties in the economy related to the COVID-19 outbreak that emerged since early 2020, which has led to increased market volatility. The period over which such volatility will persist, as well as any longer-term adverse effect on world economies and markets, is difficult to predict as the situation is still evolving. The potential risks impacting the Company have been disclosed further in the Directors' report on page 1 as well as including an assessment of going concern for at least twelve months from the date of approval of the financial statements within the going concern policy on page 8.

ADVANCED INSTRUMENTS LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

14 Related party transactions

Remuneration of key management personnel

	2019 £	2018 £
Aggregate compensation	<u>485,904</u>	<u>438,190</u>

15 Parent company

Windjammer Capital Investors Inc is the ultimate controlling party by virtue of their ownership of 100% of Advanced Instruments LLC, the immediate parent company of Advanced Instruments Ltd.

Windjammer Capital Investors Inc is incorporated in the United States of America.