

## Science (UK) Limited

Report and Financial Statements

Year Ended

31 December 2016

Company Number 3426602

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# Science (UK) Limited

## Company Information

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<b>Directors</b>	D S Hirst J C Kelly H M Allan J Tyrrell J Beard
<b>Company secretary</b>	J C Kelly
<b>Registered number</b>	3426602
<b>Registered office</b>	14 Welbeck Street London W1G 9XU
<b>Independent auditor</b>	BDO LLP 55 Baker Street London W1U 7EU

# Science (UK) Limited

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# Science (UK) Limited

Strategic report  
For the Year Ended 31 December 2016

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## Business review

The Company provides services to the parent company. The Company's activity is therefore linked to the Science Group. The profitability of the Company is dependent on the level of activity and the services provided during the year. The directors are satisfied with this level of profitability and the ability to continue to provide these services in future years.

## Future developments

The Company is funded by working capital from the parent company and the future development the Company is dependent on the health of the international contemporary art market. The continued growth year on year of the international contemporary art market shows no signs of abating and the general market consensus is that the market will continue to grow in the coming years. This will allow the Company to continue to expand its services to the other group companies whose principal activities remain within this field.

## Financial risk management objectives and policies

Foreign currency fluctuation is the main financial risk for the Company as currency movements can impact on expenditure as certain costs are in Euros and Dollars.

There are minimal cash flow risks to the Company as it is funded by its parent who is its sole customer. The company's parent has agreed to continue to support the company for a period of at least one year from the date of signing these accounts. The Company is also exposed to risk of certain commodity prices that it uses in the production of contemporary art. These include bronze, gold and silver.

## Financial key performance indicators

As the Company has one principal customer, its parent company, the Company directors are of the opinion that any analysis using Key Performance Indicators of the business is not necessary for the understanding of the development performance and operation of the business.

This report was approved by the board on 11th May 2017 and signed on its behalf.

J C Kelly  
Director



# Science (UK) Limited

## Directors' report For the Year Ended 31 December 2016

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The directors present their report and the financial statements for the year ended 31 December 2016.

### Principal activity

The principal activity of the Company during the year was that of the provision of management services and production of artworks.

### Results and dividends

The profit for the year, after taxation, amounted to £774,663 (2015: £796,841).

No dividends were paid or proposed in the current or prior year.

The directors who served during the year were:

D S Hirst  
J C Kelly  
H M Allan  
J Tyrrell  
J Beard  
S Park (resigned 1 April 2017)

### Future developments

The Company's future developments and business review are shown in the Strategic report.

### Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Post balance sheet events

There have been no significant events affecting the Company since the year end.

This report was approved by the board on 11th May 2017 and signed on its behalf.

J C Kelly  
Director



# Science (UK) Limited

## **Directors' responsibilities statement For the Year Ended 31 December 2016**

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*The directors are responsible for preparing the Strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 for the company's financial statements 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.

# Science (UK) Limited

## Independent Auditor's report to the members of Science (UK) Limited

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We have audited the financial statements of Science (UK) Limited for the year ended 31 December 2016 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

### Respective responsibilities of directors and auditors

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 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.

### 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

# Science (UK) Limited

## Independent Auditor's report to the members of Science (UK) Limited

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### 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 Directors' report.

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.

**BDO LLP**

**Anthony Perkins** (senior statutory auditor)  
for and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom

Date: 15/5/17

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# Science (UK) Limited

## Statement of comprehensive income For the Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover	4	21,916,855	16,911,402
Cost of sales		(10,080,483)	(5,787,443)
<b>Gross profit</b>		<b>11,836,372</b>	<b>11,123,959</b>
Administrative expenses		(10,760,343)	(10,109,361)
<b>Operating profit</b>	5	<b>1,076,029</b>	<b>1,014,598</b>
Interest payable and expenses	9	(12,643)	(1,950)
<b>Profit before tax</b>		<b>1,063,386</b>	<b>1,012,648</b>
Tax on profit	10	(288,723)	(215,807)
<b>Profit for the year</b>		<b>774,663</b>	<b>796,841</b>

All amounts relate to continuing operations.

There was no other comprehensive income for 2016 (2015: £NIL).

The notes on pages 10 to 23 form part of these financial statements.

**Science (UK) Limited**  
Registered number:3426602

**Statement of financial position**  
**As at 31 December 2016**

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	11	951,125	893,056
		<u>951,125</u>	<u>893,056</u>
<b>Current assets</b>			
Stocks	12	49,193,577	31,023,830
Debtors	13	3,788,518	1,548,497
Cash at bank and in hand	14	363,571	374,473
		<u>53,345,666</u>	<u>32,946,800</u>
Creditors: amounts falling due within one year	15	(2,457,852)	(2,318,159)
<b>Net current assets</b>		<u>50,887,814</u>	<u>30,628,641</u>
<b>Total assets less current liabilities</b>		<u>51,838,939</u>	<u>31,521,697</u>
Creditors: amounts falling due after more than one year	16	(49,546,331)	(30,003,752)
<b>Net assets</b>		<u><u>2,292,608</u></u>	<u><u>1,517,945</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	50,000	50,000
Profit and loss account	19	2,242,608	1,467,945
		<u><u>2,292,608</u></u>	<u><u>1,517,945</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

*11th May 2017*

**J C Kelly**  
Director

The notes on pages 10 to 23 form part of these financial statements.

## Science (UK) Limited

### Statement of changes in equity For the Year Ended 31 December 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	50,000	1,467,945	1,517,945
<b>Comprehensive income for the year</b>			
Profit for the year	-	774,663	774,663
<b>Total comprehensive income for the year</b>	-	774,663	774,663
<b>At 31 December 2016</b>	<b>50,000</b>	<b>2,242,608</b>	<b>2,292,608</b>

### Statement of changes in equity For the Year Ended 31 December 2015

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	50,000	671,104	721,104
<b>Comprehensive income for the year</b>			
Profit for the year	-	796,841	796,841
<b>Total comprehensive income for the year</b>	-	796,841	796,841
<b>At 31 December 2015</b>	<b>50,000</b>	<b>1,467,945</b>	<b>1,517,945</b>

The notes on pages 10 to 23 form part of these financial statements.

# Science (UK) Limited

## Statement of cash flows For the Year Ended 31 December 2016

	2016 £	2015 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	774,663	796,841
<b>Adjustments for:</b>		
Depreciation of tangible assets	309,369	522,132
Interest paid	12,643	1,950
Taxation charge	288,723	215,807
Increase in stocks	(18,169,747)	(35,718,460)
Increase in debtors	(2,134,918)	(715,165)
(Increase)/decrease in amounts owed by groups	(105,103)	24,403,306
Increase in creditors	61,355	508,017
Increase in amounts owed to groups	19,542,579	10,750,229
Corporation tax paid	(210,385)	(279,434)
<b>Net cash generated from operating activities</b>	<b>369,179</b>	<b>485,223</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(367,438)	(220,177)
<b>Net cash used in investing activities</b>	<b>(367,438)</b>	<b>(220,177)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(12,643)	(1,950)
<b>Net cash used in financing activities</b>	<b>(12,643)</b>	<b>(1,950)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(10,902)</b>	<b>263,096</b>
Cash and cash equivalents at beginning of year	374,473	111,377
<b>Cash and cash equivalents at the end of year</b>	<b>363,571</b>	<b>374,473</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	363,571	374,473
	<b>363,571</b>	<b>374,473</b>

The notes on pages 10 to 23 form part of these financial statements.

# Science (UK) Limited

## Notes to the financial statements For the Year Ended 31 December 2016

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### 1. General information

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

Science (UK) Limited is a private company incorporated in England and Wales under the Companies Act. It is a company limited by shares. The address of the registered office is given on the company information page and the nature of the Company's operations and its principal activities are set out in the Directors' report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The Company has received a letter of support from its parent undertaking confirming that it will provide such support as necessary to enable the Company to meet its liabilities as they fall due. The directors therefore consider the Company to be a going concern and have prepared the financial statements on that basis.

The following principal accounting policies have been applied:

#### 2.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax.

#### 2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

# Science (UK) Limited

## Notes to the financial statements For the Year Ended 31 December 2016

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### 2. Accounting policies (continued)

#### 2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as shown below.

Depreciation is provided on the following bases:

Leasehold improvements	- Over the period of the lease
Motor vehicles	- 25% straight line
Other fixed assets	- 10% to 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

#### 2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase, and includes labour and attributable overheads.

At each Balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its net realisable value. The impairment loss is recognised immediately in the Statement of comprehensive income.

#### 2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### 2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

#### 2.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially

# Science (UK) Limited

## Notes to the financial statements For the Year Ended 31 December 2016

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### 2. Accounting policies (continued)

#### 2.7 Financial instruments (continued)

and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

#### 2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

# Science (UK) Limited

## Notes to the financial statements For the Year Ended 31 December 2016

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### 2. Accounting policies (continued)

#### 2.9 Foreign currency translation

##### Functional and presentation currency

The Company's functional and presentational currency is GBP.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within administrative expenses. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'administrative expenses'.

#### 2.10 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 2.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the period of the lease.

#### 2.12 Pensions

##### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.



# Science (UK) Limited

## Notes to the financial statements For the Year Ended 31 December 2016

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### 2. Accounting policies (continued)

#### 2.13 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

# Science (UK) Limited

## Notes to the financial statements For the Year Ended 31 December 2016

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into by the Company as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the Company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine whether there are any indicators of impairment in the company's stocks. Factors taken into consideration in reaching such a decision include the past and expected future financial performance of the asset.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 11)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

### 4. Turnover

The whole of the turnover is attributable to the principal activity.

All turnover arose within the United Kingdom.

### 5. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	309,369	522,132
Exchange differences	54,075	8,762
Defined contribution pension cost	154,954	182,143

# Science (UK) Limited

## Notes to the financial statements For the Year Ended 31 December 2016

### 6. Auditor's remuneration

	2016 £	2015 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<u>14,500</u>	<u>14,150</u>

### 7. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	6,416,928	6,293,305
Social security costs	768,243	807,474
Cost of defined contribution scheme	154,954	182,143
	<u>7,340,125</u>	<u>7,282,922</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Employees	<u>155</u>	<u>158</u>

# Science (UK) Limited

## Notes to the financial statements For the Year Ended 31 December 2016

### 8. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	1,768,455	1,703,519
Company contributions to defined contribution pension schemes	17,504	58,686
	<u>1,785,959</u>	<u>1,762,205</u>

During the year retirement benefits were accruing to 1 director (2015: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £914,700 (2015: £900,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £15,000 (2015: £50,000).

### 9. Interest payable and similar charges

	2016 £	2015 £
Other finance costs	1,116	-
Other interest payable	11,527	1,950
	<u>12,643</u>	<u>1,950</u>

### 10. Taxation

	2016 £	2015 £
<b>Corporation tax</b>		
Current tax on profits for the year	278,199	199,860
Adjustments in respect of previous periods	10,524	15,947
<b>Total current tax</b>	<u>288,723</u>	<u>215,807</u>

# Science (UK) Limited

## Notes to the financial statements For the Year Ended 31 December 2016

### 10. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<b>1,063,386</b>	1,012,648
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2015: 20.25%)	<b>212,678</b>	205,027
<b>Effects of:</b>		
Fixed asset differences	<b>1,248</b>	(378)
Expenses not deductible for tax purposes	<b>57,994</b>	6,116
Capital allowances for year in excess of depreciation	-	(607)
Adjustments to tax charge in respect of prior periods	<b>10,526</b>	15,947
Adjust closing deferred tax to average rate of 20.00%	<b>11,378</b>	6,648
Adjust opening deferred tax to average rate of 20.00%	<b>(6,958)</b>	(776)
Deferred tax not recognised	<b>1,857</b>	(9,722)
Non-taxable income	-	(6,448)
<b>Total tax charge for the year</b>	<b>288,723</b>	215,807

#### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

# Science (UK) Limited

## Notes to the financial statements For the Year Ended 31 December 2016

### 11. Tangible fixed assets

	Leasehold improvements £	Motor vehicles £	Other fixed assets £	Total £
<b>Cost or valuation</b>				
At 1 January 2016	47,345	207,992	1,715,939	1,971,276
Additions	10,507	-	356,931	367,438
At 31 December 2016	57,852	207,992	2,072,870	2,338,714
<b>Depreciation</b>				
At 1 January 2016	19,389	78,540	980,291	1,078,220
Charge for the period on owned assets	12,646	64,055	232,668	309,369
At 31 December 2016	32,035	142,595	1,212,959	1,387,589
<b>Net book value</b>				
At 31 December 2016	25,817	65,397	859,911	951,125
At 31 December 2015	27,956	129,452	735,648	893,056

The net book value of leasehold improvements may be further analysed as follows:

	2016 £	2015 £
Long leasehold	25,817	27,956
	<u>25,817</u>	<u>27,956</u>

# Science (UK) Limited

## Notes to the financial statements For the Year Ended 31 December 2016

### 12. Stocks

	2016 £	2015 £
Raw materials and consumables	49,193,577	31,023,830
	<u>49,193,577</u>	<u>31,023,830</u>

Stock recognised in cost of sales during the year as an expense was £Nil (2015: £Nil).

An impairment loss of £545,000 was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

### 13. Debtors

	2016 £	2015 £
<b>Due after more than one year</b>		
Amounts owed by group undertakings	105,103	-
	<u>105,103</u>	<u>-</u>
<b>Due within one year</b>		
Other debtors	1,234,085	470,156
Prepayments and accrued income	2,449,330	1,078,341
	<u>3,788,518</u>	<u>1,548,497</u>

### 14. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	363,571	374,473
	<u>363,571</u>	<u>374,473</u>

# Science (UK) Limited

## Notes to the financial statements For the Year Ended 31 December 2016

### 15. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	1,151,441	1,138,011
Corporation tax	278,198	199,860
Taxation and social security	220,348	394,123
Other creditors	23,162	18,091
Accruals and deferred income	784,703	568,074
	<u>2,457,852</u>	<u>2,318,159</u>

### 16. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Amounts owed to group undertakings	49,546,331	30,003,752
	<u>49,546,331</u>	<u>30,003,752</u>

The parent undertaking, Science Limited, has confirmed to the Company that the intercompany balance will be due for repayment only after a period of twelve months from the date of signing of these financial statements should the Company have sufficient funds available to make such repayment.



# Science (UK) Limited

## Notes to the financial statements For the Year Ended 31 December 2016

### 17. Financial instruments

	2016 £	2015 £
<b>Financial assets</b>		
Financial assets measured at amortised cost	1,713,282	1,072,767
	<u>1,713,282</u>	<u>1,072,767</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(51,482,784)	(37,724,205)
	<u>(51,482,784)</u>	<u>(37,724,205)</u>

Financial assets that are debt instruments measured at amortised cost comprise cash, trade debtors, other debtors and amounts owed by group undertakings..

Financial liabilities measured at amortised cost comprise trade creditors, accruals, other creditors and amounts owed to group undertakings.

### 18. Share capital

	2016 £	2015 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

### 19. Reserves

The Company has the following reserves:

#### Profit & loss account

The profit and loss account represents cumulative profits and losses net of dividends paid and other adjustments.

### 20. Contingent liabilities

The Company is party to a cross guarantee with other companies in the group, in relation to the bank loan of Science Limited. At the year end the maximum exposure under this cross guarantee was £11,000,000 (2015: £34,500,000).

# Science (UK) Limited

## Notes to the financial statements For the Year Ended 31 December 2016

### 21. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £154,954 (2015: £182,143). Contributions totalling £22,853 (2015: £17,855) were payable to the fund at the Balance sheet date and are included in creditors.

### 22. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	1,841,511	1,979,711
Later than 1 year and not later than 5 years	2,078,619	4,308,543
	<u>3,920,130</u>	<u>6,288,254</u>

### 23. Related party transactions

The Company has taken advantage of the exemption conferred by FRS 102 s.33.1A and not disclosed transactions with other group companies as the Company was a wholly owned subsidiary of Science Limited at the year end.

### 24. Controlling party

The immediate controlling party is Science Limited. Science Limited is the largest and smallest company in the group for which the consolidated financial statements are produced, and is incorporated in Jersey.

The ultimate controlling party is D S Hirst.