

Company Registration No. 05889630 (England and Wales)

**MARTEL INSTRUMENTS HOLDINGS LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2017**

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# MARTEL INSTRUMENTS HOLDINGS LIMITED

## DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

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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*.

**MARTEL INSTRUMENTS HOLDINGS LIMITED****STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2017**

|  | Notes | 2017               |                    | 2016               |                    |
|--|-------|--------------------|--------------------|--------------------|--------------------|
|  |       | £                  | £                  | £                  | £                  |
| <b>Fixed assets</b>  |       |                    |                    |                    |                    |
| Investments  | 2     |                    | 6,706,643          |                    | 6,706,643          |
| <b>Current assets</b>  |       |                    |                    |                    |                    |
| Debtors  | 4     | 48,343             |                    | 51,760             |                    |
| Cash at bank and in hand                                       |       | 1,203,372          |                    | 1,201,845          |                    |
|  |       | <u>1,251,715</u>   |                    | <u>1,253,605</u>   |                    |
| <b>Creditors: amounts falling due within one year</b>          | 5     | <u>(3,948,897)</u> |                    | <u>(3,513,524)</u> |                    |
| <b>Net current liabilities</b>                                 |       |                    | <u>(2,697,182)</u> |                    | <u>(2,259,919)</u> |
| <b>Total assets less current liabilities</b>                   |       |                    | 4,009,461          |                    | 4,446,724          |
| <b>Creditors: amounts falling due after more than one year</b> | 6     |                    | (7,165,240)        |                    | (6,955,827)        |
| <b>Provisions for liabilities</b>                              |       |                    | -                  |                    | (14,029)           |
| <b>Net liabilities</b>   |       |                    | <u>(3,155,779)</u> |                    | <u>(2,523,132)</u> |
| <b>Capital and reserves</b>                                    |       |                    |                    |                    |                    |
| Called up share capital  | 8     |                    | 64,167             |                    | 64,167             |
| Share premium account  |       |                    | 677,250            |                    | 677,250            |
| Profit and loss reserves                                       |       |                    | (3,897,196)        |                    | (3,264,549)        |
| <b>Total equity</b>  |       |                    | <u>(3,155,779)</u> |                    | <u>(2,523,132)</u> |

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered 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 26 March 2018 and are signed on its behalf by:



K Walker  
Director

# MARTEL INSTRUMENTS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies

#### Company information

Martel Instruments Holdings Limited is a private company limited by shares incorporated in England and Wales. The registered office is Stanelaw Way, Tanfield Lea Industrial Estate, Stanley, DH9 9XG.

#### 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 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.

#### Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 398 of the Companies Act 2006 not to prepare group accounts.

#### Going concern

At the balance sheet date the company had net liabilities of £3,155,779 (2016: £2,523,132) which includes a sum of £7,468,953 owed to Maven Capital Partners, comprising loan notes, accrued interest and other debt. Based upon support given to the group by Maven, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future and have prepared the financial statements on a going concern basis.

#### Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the income statement.

*A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.*

#### Cash and cash equivalents

Cash and cash equivalents are comprised of deposits held at call with banks and held in escrow.

#### Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments 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.

# MARTEL INSTRUMENTS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1 Accounting policies (Continued)

##### **Basic financial assets**

Basic financial assets, which include other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

##### **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, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

##### **Equity instruments**

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

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 period.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited to the income statement 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.

# MARTEL INSTRUMENTS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 1 Accounting policies (Continued)

##### 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.

#### 2 Fixed asset investments

|             | 2017      | 2016      |
|-------------|-----------|-----------|
|             | £         | £         |
| Investments | 6,706,643 | 6,706,643 |

##### Movements in fixed asset investments

|  | Shares in<br>group<br>undertakings<br>£ |
|--|---|
| <b>Cost or valuation</b><br>At 1 January 2017 & 31 December 2017 | 6,706,643                               |
| <b>Carrying amount</b><br>At 31 December 2017                    | 6,706,643                               |
| At 31 December 2016  | 6,706,643                               |

#### 3 Subsidiaries

Details of the company's subsidiaries at 31 December 2017 are as follows:

| Name of undertaking            | Registered office | Nature of business  | Class of shares held | % Held |          |
|--------------------------------|-------------------|---|----------------------|--------|----------|
|                                |                   |   |                      | Direct | Indirect |
| Martel Instruments EBT Limited | UK                | Dormant   | Ordinary             | 100.00 |          |
| Martel Instruments Limited     | UK                | Designing, manufacturing assembly and marketing of electronic instrumentation | Ordinary             | 100.00 |          |

# MARTEL INSTRUMENTS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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| <b>4 Debtors</b>                            | <b>2017</b>   | <b>2016</b>   |
|---|---------------|---------------|
| <b>Amounts falling due within one year:</b> | <b>£</b>      | <b>£</b>      |
| Amounts owed by group undertakings          | 41,593        | 41,593        |
| Other debtors                               | 6,750         | 10,167        |
|   | <u>48,343</u> | <u>51,760</u> |

| <b>5 Creditors: amounts falling due within one year</b> | <b>2017</b>      | <b>2016</b>      |
|---|------------------|------------------|
|   | <b>£</b>         | <b>£</b>         |
| Trade creditors   | -                | 2,500            |
| Amounts due to group undertakings                       | 2,659,414        | 2,224,838        |
| Other creditors   | 1,289,483        | 1,286,186        |
|   | <u>3,948,897</u> | <u>3,513,524</u> |

The loan included under other creditors falling due within one year is a loan of £1,252,800 (2016: £1,252,800) is secured by the company.

| <b>6 Creditors: amounts falling due after more than one year</b> | <b>2017</b>      | <b>2016</b>      |
|--|------------------|------------------|
|  | <b>£</b>         | <b>£</b>         |
| Other creditors  | 7,165,240        | 6,955,827        |
|  | <u>7,165,240</u> | <u>6,955,827</u> |

Included within creditors due after more than one year are other creditors of £7,165,240 (2016: £6,955,827) that are

Included within other creditors as at 31 December 2017 are £25,000 (2016: £25,000) of redeemable preference shares carrying a fixed cumulative dividend. These preference shares were redeemable at par on 17 January 2013 by the company. Given that no repayment took place in the current financial year due to conditions of the refinancing that took place at the prior year end, those preference shares have been classified as fully due after one year.

As at 31 December 2017 the company had arrears of £29,871 (2016: £26,871) in relation to the fixed cumulative dividend carried by these preference shares. The company has not historically paid dividends on the preference shares, and as such the arrears date cumulatively from the date of issue of the preference shares, being 17 January 2007.

Amounts included above which fall due after five years are as follows:

|                                   |                  |                  |
|-----------------------------------|------------------|------------------|
| Payable other than by instalments | <u>7,034,640</u> | <u>6,772,427</u> |
|-----------------------------------|------------------|------------------|

# MARTEL INSTRUMENTS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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### 7 Provisions for liabilities

|                          | 2017     | 2016          |
|--------------------------|----------|---------------|
|                          | £        | £             |
| Deferred tax liabilities | -        | 14,029        |
|                          | <u>-</u> | <u>14,029</u> |
|                          | <u>-</u> | <u>14,029</u> |

### 8 Called up share capital

|                                  | 2017          | 2016          |
|----------------------------------|---------------|---------------|
|                                  | £             | £             |
| <b>Ordinary share capital</b>    |               |               |
| <b>Issued and fully paid</b>     |               |               |
| 449,170 'A' Ordinary of 10p each | 44,917        | 44,917        |
| 192,500 'B' Ordinary of 10p each | 19,250        | 19,250        |
|                                  | <u>64,167</u> | <u>64,167</u> |
|                                  | <u>64,167</u> | <u>64,167</u> |

### 9 Own shares

Martel Instruments EBT Limited, a subsidiary company, holds 155,605 £0.10 'A' Ordinary shares in Martel Instruments Holdings Limited.

### 10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.  
The senior statutory auditor was Iain Corner FCA.  
The auditor was RSM UK Audit LLP.



# MARTEL INSTRUMENTS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 11 Related party transactions

##### Transactions with related parties

During the year the company entered into the following transactions with related parties:

|                       | Non executive director<br>services received |           |
|-----------------------|---|-----------|
|                       | 2017<br>£                                   | 2016<br>£ |
| Other related parties | 14,394                                      | 25,000    |

Other related parties relate to entities with joint directorship.

No guarantees have been given or received.

#### 12 Parent company

In the opinion of the directors the company is not controlled by any one party.