

Company Registration No. 05889630 (England and Wales)

**MARTEL INSTRUMENTS HOLDINGS LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2018**

**PAGES FOR FILING WITH REGISTRAR**



# **MARTEL INSTRUMENTS HOLDINGS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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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; and
- 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 2018**

	Notes	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Investments	4		6,706,643		6,706,643
<b>Current assets</b>					
Debtors	6	54,004		48,343	
Cash at bank and in hand		1,154,373		1,203,372	
		<u>1,208,377</u>		<u>1,251,715</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(4,217,769)</u>		<u>(3,948,897)</u>	
<b>Net current liabilities</b>			<u>(3,009,392)</u>		<u>(2,697,182)</u>
<b>Total assets less current liabilities</b>			3,697,251		4,009,461
<b>Creditors: amounts falling due after more than one year</b>	8		<u>(7,475,443)</u>		<u>(7,165,240)</u>
<b>Net liabilities</b>			<u>(3,778,192)</u>		<u>(3,155,779)</u>
<b>Capital and reserves</b>					
Called up share capital	9		64,167		64,167
Share premium account			677,250		677,250
Profit and loss reserves			<u>(4,519,609)</u>		<u>(3,897,196)</u>
<b>Total equity</b>			<u>(3,778,192)</u>		<u>(3,155,779)</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 8 March 2019 and are signed on its behalf by:

*C.J. Proudfoot*

C J Proudfoot  
Director

# MARTEL INSTRUMENTS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

#### Company information

Martel Instruments Holdings Limited ('the company') is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Stanelaw Way, Tanfield Lea Industrial Estate, Stanley, County Durham, 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 statement of financial position date the company had net liabilities of £3,778,192 (2017: £3,155,779) which includes a sum of £7,721,237 owed to Maven Capital Partners UK LLP, comprising loan notes, accrued interest and other debt. Based upon support given to the group by Maven Capital Partners UK LLP, 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.

# MARTEL INSTRUMENTS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1 Accounting policies (Continued)

##### **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.

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

Basic financial assets, which include trade and other debtors, amounts due from group undertakings 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, amounts owed to group undertakings 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.

##### **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 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 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.

# MARTEL INSTRUMENTS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 1 Accounting policies (Continued)

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

#### 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.

#### 3 Auditor's remuneration

	2018	2017
	£	£
Fees payable to the company's auditor and its associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	1,620	1,620
	<u>1,620</u>	<u>1,620</u>

#### 4 Fixed asset investments

	2018	2017
	£	£
Investments	6,706,643	6,706,643
	<u>6,706,643</u>	<u>6,706,643</u>

#### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 January 2018 & 31 December 2018	6,706,643
<b>Carrying amount</b>	
At 31 December 2018	6,706,643
At 31 December 2017	6,706,643

# MARTEL INSTRUMENTS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 5 Subsidiaries

Details of the company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Martel Instruments EBT Limited	1	Dormant	Ordinary	100.00	-
Martel Instruments Limited	1	Designing, manufacturing assembly and marketing of electronic instrumentation	Ordinary	100.00	-

#### Registered Office addresses:

1 Stanelaw Way, Tanfield Lea Industrial Estate, Stanley, County Durham, DH9 9XG

#### 6 Debtors

	2018	2017
Amounts falling due within one year:	£	£
Amounts owed by group undertakings	41,593	41,593
Other debtors	12,411	6,750
	<u>54,004</u>	<u>48,343</u>

#### 7 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	1,560	-
Amounts due to group undertakings	2,923,103	2,659,414
Other creditors	1,293,106	1,289,483
	<u>4,217,769</u>	<u>3,948,897</u>

Included within other creditors falling due within one year is a loan of £1,252,800 (2017: £1,252,800) secured by the company.

# MARTEL INSTRUMENTS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 8 Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Other creditors	7,475,443	7,165,240

Included within creditors due after more than one year are other creditors of £7,475,443 (2017: £7,165,240) that are secured by the company.

Included within other creditors as at 31 December 2018 are £25,000 (2017: £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 2018 the company had arrears of £35,871 (2017: £29,871) 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.

Creditors which fall due after five years are as follows:

	2018	2017
	£	£
Payable other than by instalments	7,397,643	7,034,640

#### 9 Called up share capital

	2018	2017
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
449,170 'A' Ordinary shares of 10p each	44,917	44,917
192,500 'B' Ordinary shares of 10p each	19,250	19,250
	<u>64,167</u>	<u>64,167</u>

#### 10 Own shares

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

#### 11 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 Lucy Robson.  
The auditor was RSM UK Audit LLP.



# MARTEL INSTRUMENTS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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### 12 Related party transactions

#### Transactions with related parties

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

	Non executive director services received	
	2018	2017
	£	£
Other related parties	-	14,394
	<u>          </u>	<u>          </u>

Other related parties relate to entities with joint directorship.

Included within other creditors are amounts totalling £7,721,23 (2017: £7,468,953) due to Maven Capital Partners UK LLP, the main investor. The amounts comprise loan notes, accrued interest and other debt.

Directors C J Proudfoot and K J Walker are also directors of Martel Instruments EBT Limited (a fellow subsidiary company). EMI share options are in issue within Martel Instruments EBT Limited, of which an option to apply to acquire 50,145 £0.10 ordinary shares was granted to C J Proudfoot and an option to apply to acquire 75,460 £0.10 ordinary shares was granted to K J Walker on 14 June 2018 (subject to the sale of assets and undertakings of the business of Martel Instruments EBT Limited).

### 13 Parent company

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