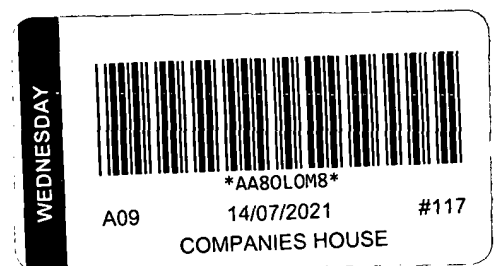


**REGISTRAR OF
COMPANIES**

Gill Instruments Limited

**Annual Report and Financial Statements
Year Ended 31 October 2020**

Registration number: 02281574



Gill Instruments Limited

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Gill Instruments Limited

Strategic Report

Year Ended 31 October 2020

The directors present their strategic report for the year ended 31 October 2020.

Principal activity

The principal activity of the company is that of manufacturing meteorological electrical instruments.

Fair review of the business

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

The company turnover has increased to £9,048,483 in the year (2019: £8,510,062). The gross margin is 28% (2019: 19%).

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, including turnover and return on capital employed. These are monitored to ensure that they are within acceptable parameters.

The company's key financial and other performance indicators during the year were as follows:

	Unit	2020	2019
Turnover	£	9,048,483	8,510,062
Turnover growth	%	6	4
Gross profit margin	%	28	19
Profit before tax	£	1,869,867	794,070

Principal risks and uncertainties


As for many businesses of our size, the business environment in which we operate continues to be challenging.

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control.

Principal risks include failing to maintain technological development and, although the majority of sales and purchases are denominated in sterling, exposure to foreign currency exchange rate fluctuations and currency related supplier price increases.

The company is very well placed to continue to respond to the the ongoing impact of the Covid-19 pandemic. Any future trading downturn resulting from the pandemic is not expected to significantly impact the company.

Approved by the Board on 7/7/21 and signed on its behalf by:



E D Phillips
Director

Gill Instruments Limited

Directors' Report

Year Ended 31 October 2020

The directors present their report and the financial statements for the year ended 31 October 2020.

Directors of the company

The directors who held office during the year were as follows:

L H Gill

M J Gill

E D Phillips (appointed 12 October 2020)

M H Gill (appointed 12 October 2020)

Financial instruments

Objectives and policies

The business' principal financial instruments comprise bank balances, trade debtors, trade creditors and a portfolio of other financial asset investments. The main purpose of these instruments is to finance the business' operations.

The portfolio of other financial assets is managed to achieve a favourable rate of return, while also being readily convertible into cash should it be required.

Price risk, credit risk, liquidity risk and cash flow risk

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of available funds held by the company.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Research and development

The company will continue its policy of investment in research and development in order to retain a competitive position in the market.

Gill Instruments Limited

Directors' Report

Year Ended 31 October 2020

Disclosure of information to the auditors

Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on7/7/21..... and signed on its behalf by:



E D Phillips
Director

Gill Instruments Limited

Statement of Directors' Responsibilities

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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

Gill Instruments Limited

Independent Auditor's Report to the Members of Gill Instruments Limited

Opinion

We have audited the financial statements of Gill Instruments Limited (the 'company') for the year ended 31 October 2020, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, 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 Financial Reporting Standard 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 October 2020 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.

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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Gill Instruments Limited

Independent Auditor's Report to the Members of Gill Instruments Limited

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 and 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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.

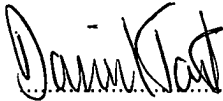
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Gill Instruments Limited

Independent Auditor's Report to the Members of Gill Instruments Limited

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.



.....
Daniel Tout FCA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Towngate House
2-8 Parkstone Road
Poole
Dorset
BH15 2PW

Date: 13/7/2021

Gill Instruments Limited

Profit and Loss Account

Year Ended 31 October 2020

	Note	2020 £	2019 £
Turnover	3	9,048,483	8,510,062
Cost of sales		<u>(6,549,616)</u>	<u>(6,874,845)</u>
Gross profit		2,498,867	1,635,217
Administrative expenses		(848,808)	(952,032)
Other operating income		<u>156,670</u>	<u>4,000</u>
Operating profit	4	<u>1,806,729</u>	<u>687,185</u>
Income from other fixed asset investments		38,056	41,523
Other interest receivable and similar income		3,499	5,860
Gain on financial instruments at fair value through profit and loss account		21,583	59,882
Interest payable and similar charges		<u>-</u>	<u>(380)</u>
		<u>63,138</u>	<u>106,885</u>
Profit before tax		1,869,867	794,070
Taxation	7	<u>(80,886)</u>	<u>60,881</u>
Profit for the financial year		<u><u>1,788,981</u></u>	<u><u>854,951</u></u>

The above results were derived from continuing operations.

Gill Instruments Limited

Balance Sheet

31 October 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	8	1,113,802	1,107,084
Current assets			
Stocks	9	1,345,482	1,457,311
Debtors	10	2,042,715	1,901,520
Other financial assets	11	1,536,770	1,514,743
Cash at bank and in hand		3,288,203	1,619,619
		<u>8,213,170</u>	<u>6,493,193</u>
Creditors: Amounts falling due within one year	13	<u>(587,346)</u>	<u>(664,286)</u>
Net current assets		<u>7,625,824</u>	<u>5,828,907</u>
Total assets less current liabilities		8,739,626	6,935,991
Provisions for liabilities	14	<u>(51,411)</u>	<u>(36,757)</u>
Net assets		<u>8,688,215</u>	<u>6,899,234</u>
Capital and reserves			
Called up share capital	16	1,000,000	1,000,000
Profit and loss account		<u>7,688,215</u>	<u>5,899,234</u>
Total equity		<u>8,688,215</u>	<u>6,899,234</u>

Approved and authorised by the Board on7/7/21 and signed on its behalf by:



E D Phillips
Director

Company Registration Number: 02281574

Gill Instruments Limited

Statement of Changes in Equity

Year Ended 31 October 2020

	Share capital £	Profit and loss account £	Total £
At 1 November 2019	<u>1,000,000</u>	<u>5,899,234</u>	<u>6,899,234</u>
Profit for the year	<u>-</u>	<u>1,788,981</u>	<u>1,788,981</u>
Total comprehensive income	<u>-</u>	<u>1,788,981</u>	<u>1,788,981</u>
At 31 October 2020	<u><u>1,000,000</u></u>	<u><u>7,688,215</u></u>	<u><u>8,688,215</u></u>

	Share capital £	Profit and loss account £	Total £
At 1 November 2018	<u>1,000,000</u>	<u>5,044,283</u>	<u>6,044,283</u>
Profit for the year	<u>-</u>	<u>854,951</u>	<u>854,951</u>
Total comprehensive income	<u>-</u>	<u>854,951</u>	<u>854,951</u>
At 31 October 2019	<u><u>1,000,000</u></u>	<u><u>5,899,234</u></u>	<u><u>6,899,234</u></u>

Gill Instruments Limited

Statement of Cash Flows

Year Ended 31 October 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Profit for the year		1,788,981	854,951
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	90,540	110,093
Changes in fair value of investments		(116,999)	(49,983)
(Profit)/loss on disposal of tangible assets		(2,951)	339
Loss/(profit) from disposals of investments		94,972	(22,101)
Finance income		(41,555)	(47,383)
Corporation tax	7	80,886	(60,881)
		<u>1,893,874</u>	<u>785,035</u>
Working capital adjustments			
Decrease/(increase) in stocks	9	111,829	(137,571)
Increase in trade debtors	10	(207,175)	(81,173)
Decrease in trade creditors	13	<u>(76,940)</u>	<u>(472,180)</u>
Cash generated from operations		1,721,588	94,111
Corporation tax paid	7	<u>(252)</u>	<u>(159,958)</u>
Net cash flow from operating activities		<u>1,721,336</u>	<u>(65,847)</u>
Cash flows from investing activities			
Interest received		41,555	47,383
Acquisitions of tangible assets		(97,816)	(208,369)
Proceeds from sale of tangible assets		<u>3,509</u>	<u>3,971</u>
Net cash flows from investing activities		(52,752)	(157,015)
Cash flows from financing activities			
Interest paid		<u>-</u>	<u>(380)</u>
Net increase/(decrease) in cash and cash equivalents		1,668,584	(223,242)
Cash and cash equivalents at 1 November		<u>1,619,619</u>	<u>1,842,861</u>
Cash and cash equivalents at 31 October	12	<u>3,288,203</u>	<u>1,619,619</u>

Gill Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2020

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Towngate House
2-8 Parkstone Road
Poole
Dorset
BH15 2PW

The principal place of business is:

Unit 600
Ampress Park
Lyminster
Hampshire
SO41 8LW

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements have been prepared using British pound sterling and rounded to the nearest whole pound.

Gill Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2020

Key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made are noted below:

Stock provision – The company establishes a reliable estimate of obsolete stock. The carrying amount is £323,096 (2019 -£300,376).

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of the design, development and manufacturing of meteorological electrical instruments. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises turnover in the profit and loss account once the goods or services have been supplied to the customer.

Foreign currency transactions and balances

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current 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 taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Gill Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2020

Depreciation

The directors consider that the freehold properties are maintained in such a state of repair that the residual value is at least equal to their net book value. As a result, the corresponding depreciation would not be material and therefore is not charged in the profit and loss account.

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Other property, plant and equipment	10% or 20% on cost
Furniture, fittings and equipment	10% or 20% on cost
Motor vehicles	25% on reducing balance

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress 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, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Gill Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2020

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the group is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Except for bank loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Research and development

Research and development expenditure is written off as incurred in the profit and loss account.

Gill Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2020

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2020	2019
	£	£
Sale of goods	9,048,483	8,510,062
Bank interest receivable	3,499	5,860
Other income	156,670	4,000
	<u>9,208,652</u>	<u>8,519,922</u>

The analysis of the company's turnover for the year by market is as follows:

	2020	2019
	£	£
UK	1,748,051	2,229,272
Rest of world	7,300,432	6,280,790
	<u>9,048,483</u>	<u>8,510,062</u>

4 Operating profit

Arrived at after charging/(crediting)

	2020	2019
	£	£
Depreciation expense	90,540	110,093
Operating lease expense - other	42,295	41,555
(Profit)/loss on disposal of property, plant and equipment	(2,951)	339
Research and development	<u>1,676,800</u>	<u>1,878,793</u>

Gill Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2020

5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020	2019
	£	£
Wages and salaries	2,386,218	2,559,095
Social security costs	219,391	209,401
Pension costs, defined contribution scheme	47,416	39,099
	<u>2,653,025</u>	<u>2,807,595</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2020	2019
	No.	No.
Other departments	<u>79</u>	<u>78</u>

6 Auditor's remuneration

	2020	2019
	£	£
Audit of the financial statements	<u>15,745</u>	<u>15,745</u>
Other fees to auditors		
All other non-audit services	<u>9,646</u>	<u>6,059</u>
	<u>9,646</u>	<u>6,059</u>

Gill Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2020

7 Taxation

Tax charged/(credited) in the profit and loss account

	2020 £	2019 £
Current taxation		
UK corporation tax	66,232	-
UK corporation tax adjustment to prior periods	<u>-</u>	<u>(92,637)</u>
	66,232	(92,637)
Deferred taxation		
Arising from origination and reversal of timing differences	<u>14,654</u>	<u>31,756</u>
Tax expense/(receipt) in the income statement	<u><u>80,886</u></u>	<u><u>(60,881)</u></u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2019 - the same as the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	<u>1,869,867</u>	<u>794,070</u>
Corporation tax at standard rate	355,275	150,873
Effect of revenues exempt from taxation	6,864	(23,408)
Effect of expense not deductible in determining taxable profit (tax loss)	265	5,766
Deferred tax expense relating to changes in tax rates or laws	14,654	31,756
Decrease in UK and foreign current tax from adjustment for prior periods	-	(92,637)
Tax decrease from effect of capital allowances and depreciation	(8,813)	(9,444)
Tax decrease from effect of adjustment in research and development tax credit	(289,919)	(127,187)
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>2,560</u>	<u>3,400</u>
Total tax charge/(credit)	<u><u>80,886</u></u>	<u><u>(60,881)</u></u>

Gill Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2020

Deferred tax

Deferred tax assets and liabilities

	Liability £
2020	
Accelerated tax depreciation	45,034
Tax losses carried forward	-
Financial assets at fair value	6,377
	<u>51,411</u>
2019	Liability £
Accelerated tax depreciation	34,623
Tax losses carried forward	-
Financial assets at fair value	2,134
	<u>36,757</u>

Gill Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2020

8 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation					
At 1 November 2019	758,306	822,403	42,933	2,685,398	4,309,040
Additions	-	2,470	-	95,346	97,816
Disposals	-	(79,235)	(16,038)	(117,088)	(212,361)
At 31 October 2020	<u>758,306</u>	<u>745,638</u>	<u>26,895</u>	<u>2,663,656</u>	<u>4,194,495</u>
Depreciation					
At 1 November 2019	-	650,536	18,245	2,533,175	3,201,956
Charge for the year	-	23,887	6,130	60,523	90,540
Eliminated on disposal	-	(79,235)	(15,480)	(117,088)	(211,803)
At 31 October 2020	<u>-</u>	<u>595,188</u>	<u>8,895</u>	<u>2,476,610</u>	<u>3,080,693</u>
Carrying amount					
At 31 October 2020	<u>758,306</u>	<u>150,450</u>	<u>18,000</u>	<u>187,046</u>	<u>1,113,802</u>
At 31 October 2019	<u>758,306</u>	<u>171,867</u>	<u>24,688</u>	<u>152,223</u>	<u>1,107,084</u>

Gill Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2020

Included within the net book value of land and buildings above is £758,306 (2019 - £758,306) in respect of freehold land and buildings.

9 Stocks

	2020 £	2019 £
Raw materials and consumables	1,324,634	1,434,795
Work in progress	20,848	22,516
	<u>1,345,482</u>	<u>1,457,311</u>

The cost of stocks recognised as an expense in the year amounted to £2,124,118 (2019 - £2,091,955).

Impairment of stocks

The amount of impairment loss included in profit or loss is £22,720 (2019 - £1,200).

10 Debtors

	Note	2020 £	2019 £
Trade debtors		1,361,084	1,128,900
Other debtors		523,837	522,909
Prepayments		98,880	124,817
Corporation tax asset	7	58,914	124,894
		<u>2,042,715</u>	<u>1,901,520</u>

Gill Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2020

11 Other investments

	Financial assets at fair value through profit and loss £	Total £
Current financial assets		
Cost or valuation		
At 1 November 2019	1,514,744	1,514,744
Fair value adjustments	21,583	21,583
Realised loss	(94,972)	(94,972)
Additions	105,021	105,021
Withdrawals	(9,606)	(9,606)
At 31 October 2020	<u>1,536,770</u>	<u>1,536,770</u>
Impairment		
At 1 November 2019	<u>-</u>	<u>-</u>
At 31 October 2020	<u>-</u>	<u>-</u>
Carrying amount		
At 31 October 2020	<u>1,536,770</u>	<u>1,536,770</u>
At 31 October 2019	<u>1,514,743</u>	<u>1,514,743</u>

12 Cash and cash equivalents

	2020 £	2019 £
Cash at bank	<u>3,288,203</u>	<u>1,619,619</u>

Gill Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2020

13 Creditors

	Note	2020 £	2019 £
Due within one year			
Trade creditors		460,278	424,045
Social security and other taxes		53,097	51,384
Outstanding defined contribution pension costs		11,665	8,841
Accrued expenses		62,306	180,016
		<u>587,346</u>	<u>664,286</u>

14 Deferred tax and other provisions

	Deferred tax £
At 1 November 2019	<u>36,757</u>
At 31 October 2020	<u>36,757</u>

15 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £47,416 (2019 - £39,099).

Contributions totalling £11,665 (2019 - £8,841) were payable to the scheme at the end of the year and are included in creditors.

16 Share capital

Allotted, called up and fully paid shares

	No.	2020 £	No.	2019 £
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

Gill Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2020

17 Financial instruments

Categorisation of financial instruments

	2020	2019
	£	£
Financial assets measured at fair value through profit or loss	1,536,770	1,514,743
Financial assets that are debt instruments measured at amortised cost	<u>1,817,147</u>	<u>1,585,684</u>
	<u>3,353,917</u>	<u>3,100,427</u>
Financial liabilities measured at amortised cost	<u>471,943</u>	<u>432,886</u>
	<u>471,943</u>	<u>432,886</u>

Financial assets measured at fair value

Investment portfolio

The portfolio of other financial assets is managed to achieve a favourable rate of return, while also being readily convertible into cash should it be required. The portfolio is managed externally and valuation reports are produced quarterly by the portfolio managers.

The fair value is £1,536,770 (2019 - £1,514,743) and the change in value included in profit or loss is £21,583 (2019 - £59,882).

Gill Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2020

18 Related party transactions

Transactions with directors

	At 1 November 2019 £	At 31 October 2020 £
2020		
L H Gill		
Directors loan account	<u>171,949</u>	<u>171,949</u>
M J Gill		
Directors loan account	<u>171,950</u>	<u>171,950</u>

	At 1 November 2018 £	At 31 October 2019 £
2019		
L H Gill		
Directors loan account	<u>171,949</u>	<u>171,949</u>
M J Gill		
Directors loan account	<u>171,950</u>	<u>171,950</u>

Gill Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2020

Income and receivables from related parties

	Entities with joint control or significant influence £
2020	
Sale of goods	131,952
Receipt of services	532,286
	<u>664,238</u>
Amounts receivable from related party	<u>88,463</u>

	Entities with joint control or significant influence £
2019	
Sale of goods	296,194
Receipt of services	516,948
	<u>813,142</u>
Amounts receivable from related party	<u>145,508</u>

Expenditure with and payables to related parties

	Entities with joint control or significant influence £
2020	
Purchase of goods	19,644
Rendering of services	1,756,924
	<u>1,776,568</u>
Amounts payable to related party	<u>170,734</u>

	Entities with joint control or significant influence £
2019	
Purchase of goods	50,204
Rendering of services	2,608,425
	<u>2,658,629</u>
Amounts payable to related party	<u>283,178</u>

Gill Instruments Limited

Notes to the Financial Statements

Year Ended 31 October 2020

19 Parent and ultimate parent undertaking

The ultimate controlling party is Mr and Mrs Gill.