

Registered number

00708818

HCD Research Limited

Filleted Accounts

31 March 2023

**HCD Research Limited****Registered number:** 00708818**Balance Sheet as at 31 March 2023**

	Notes	2023	2022
		£	£
<b>Fixed assets</b>			
Intangible assets	6	56,262	58,382
Tangible assets	7	91,221	131,118
Investments	8	7,500	7,500
		<u>154,983</u>	<u>197,000</u>
<b>Current assets</b>			
Stocks	9	304,497	220,620
Debtors	10	173,144	165,781
Cash at bank and in hand		55,303	89,315
		<u>532,944</u>	<u>475,716</u>
<b>Creditors: amounts falling due within one year</b>	11	(344,525)	(340,359)
<b>Net current assets</b>		<u>188,419</u>	<u>135,357</u>
<b>Total assets less current liabilities</b>		<u>343,402</u>	<u>332,357</u>
<b>Creditors: amounts falling due after more than one year</b>	12	(62,977)	(107,188)
<b>Provisions for liabilities</b>	13	(34)	(8,643)
<b>Net assets</b>		<u>280,391</u>	<u>216,526</u>
<b>Capital and reserves</b>			
Called up share capital		29,363	29,363
Share premium		15,886	15,886
Other reserves		21,105	21,105
Profit and loss account		214,037	150,172
<b>Shareholders' funds</b>		<u>280,391</u>	<u>216,526</u>

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared and delivered in accordance with the special provisions applicable to companies subject to the small companies regime. The profit and loss account has not been delivered to the Registrar of Companies.

T. E. REYNOLDS FCA

Director

Approved by the board on 29 December 2023

The notes attached for part of these accounts

**HCD Research Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2023**

**1 Accounting policies**

***Statement of compliance***

HCD Research Limited ('the Company') is a private limited liability company incorporated in England and Wales. The Company's registration number is 00708818 and the address of the registered office is 179 Junction Road, Burgess Hill, West Sussex, RH15 0JW. The principle activity of the Company in the year under review was the design and manufacture of precision crystal oscillators and frequency standards

***Basis of preparation***

The accounts have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (as applied to small entities by section 1A of the standard).

The financial statements have been prepared under the historical cost convention. The presentation currency is £ sterling

The significant 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.

***Turnover***

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

***Intangible fixed assets***

Intangible fixed assets comprise:-

- Product designs purchased from third parties measured at cost less accumulative amortisation based on a five year write off .
- Development costs of specific products which are expected to provide revenue for several years. These costs are being amortised over the sales of the relevant products.
- Specialised operating software which is being written off over three years.

***Tangible fixed assets***

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings	over 50 years
Leasehold land and buildings	over the lease term
Plant and machinery	over 5 years
Fixtures, fittings, tools and equipment	over 5 years

Computing equipment

over 3 years

### ***Investments***

Investments in subsidiaries, associates and joint ventures are measured at cost less any accumulated impairment losses. Listed investments are measured at fair value. Unlisted investments are measured at fair value unless the value cannot be measured reliably, in which case they are measured at cost less any accumulated impairment losses. Changes in fair value are included in the profit and loss account.

### ***Stocks***

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost, which comprise direct production costs, are based on the method most appropriate to the type of inventory class, but usually on a weighted average cost basis. Overheads are charged to profit and loss as incurred. Estimated selling price less costs to complete and sell is based on the estimated selling price of the goods less any estimated completion or selling costs likely to be incurred on the sale.

When stocks are sold, the carrying amount of those stocks is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of stocks to estimated selling price less costs to complete and sell and all losses of stocks are recognised as an expense in the period in which the write-down or loss occur. The amount of any reversal of any write-down of stock is recognised as a reduction in the amount of stocks recognised as an expense in the period in which the reversal occurs.

### ***Debtors***

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

### ***Creditors***

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

### ***Taxation***

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

### ***Cash and cash equivalents***

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks

and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities.

***Interest bearing borrowings***

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment. Any difference between the amount initially recognised and redemption value is recognised in profit and loss together with any interest and fees payable.

***Provisions***

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

***Foreign currency translation***

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

***Grants receivable***

Revenue grants from government or other sources are credited to the Income Statement in the period in which the grant aided expenditure has been incurred.

***Employee benefits - pensions***

The obligations for contributions to defined contribution scheme are recognised as an expense as incurred. The assets of the scheme are held separately from those of the Company in an independent administered fund.

<b>2 Other operating income</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Rent received	6,437	6,437
Covid Job Retention Scheme	-	6,450
Covid Business Interruption Loan Scheme	-	5,800
	<u>6,437</u>	<u>18,687</u>
<b>3 Finance costs (net)</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Interest receivable and similar income	147	3
Interest payable and similar charges	(8,921)	(13,763)
	<u>(8,774)</u>	<u>(13,760)</u>

**Interest receivable and similar income**

Bank and other interest receivable	147	3
	<u>147</u>	<u>3</u>

**Interest payable and similar charges**

Bank and other interest payable	(524)	(919)
Loan interest payable	(7,262)	(10,339)
Loan costs written off	(1,135)	(2,505)
	<u>(8,921)</u>	<u>(13,763)</u>

**4 Employees**

**2023**                      **2022**  
**Number**                      **Number**

Average number of persons employed by the company	<u>15</u>	<u>14</u>
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**5 Tax on profit/(loss) on ordinary activities**

**2023**                      **2022**  
**£**                                      **£**

**Current tax charge/(credit)**

Charge/(credit) for the current year	1,283	(7,301)
	<u>1,283</u>	<u>(7,301)</u>

**Deferred tax charge/(credit)**

Origination and reversal of timing differences	(8,609)	1,921
	<u>(8,609)</u>	<u>1,921</u>
	<u>(7,326)</u>	<u>(5,380)</u>

The Company has tax losses of £90,277 available to be offset against future profits. No deferred tax asset has been set up for these losses.

**6 Intangible fixed assets**

	<b>Product designs and know how</b>	<b>Product development costs</b>	<b>Operating software</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 1 April 2022	40,000	50,536	14,219	104,755
Additions	-	-	6,312	6,312
At 31 March 2023	<u>40,000</u>	<u>50,536</u>	<u>20,531</u>	<u>111,067</u>

**Amortisation**

At 1 April 2022	40,000	1,873	4,500	46,373
Charge for the year	-	2,021	6,411	8,432
At 31 March 2023	<u>40,000</u>	<u>3,894</u>	<u>10,911</u>	<u>54,805</u>
<b>Net book value</b>				
At 31 March 2023	-	46,642	9,620	56,262
At 31 March 2022	-	48,663	9,719	58,382

## 7 Tangible fixed assets

	Plant and machinery etc	Furniture and equipment etc	Total
	£	£	£
<b>Cost or valuation</b>			
At 1 April 2022	467,435	74,840	542,275
Additions	1,116	992	2,108
At 31 March 2023	<u>468,551</u>	<u>75,832</u>	<u>544,383</u>
<b>Depreciation</b>			
At 1 April 2022	340,420	70,737	411,157
Charge for the year	39,738	2,267	42,005
At 31 March 2023	<u>380,158</u>	<u>73,004</u>	<u>453,162</u>
<b>Net book value</b>			
At 31 March 2023	<u>88,393</u>	<u>2,828</u>	<u>91,221</u>
At 31 March 2022	<u>127,015</u>	<u>4,103</u>	<u>131,118</u>

Cost or valuation at 31st March 2023 comprises:-

	£	£	£
Valuation in 2016	70,891	-	70,891
Cost	397,660	75,832	473,492
	<u>468,551</u>	<u>75,832</u>	<u>544,383</u>

## 8 Investments

	Investments in subsidiary undertakings
	£
<b>Cost</b>	
At 1 April 2022	7,500
At 31 March 2023	<u>7,500</u>
<b>Historical cost</b>	

At 1 April 2022	7,500
At 31 March 2023	<u>7,500</u>

At 31 March 2023 the Company owned the whole of the issued share capital of HCD Engineering Limited (registration number 01098969 - England and Wales) which has been dormant for both 2023 and 2022

<b>9 Inventories</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Raw materials and components	137,007	155,234
Work in progress	99,762	36,711
Finished goods	67,728	28,675
	<u>304,497</u>	<u>220,620</u>

<b>10 Debtors</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade debtors	61,700	89,597
Amounts owed by group undertakings and undertakings in which the company has a participating interest	9,046	9,046
UK Corporation Tax	24,655	21,652
Innovate UK grant claims	54,956	17,022
Other debtors	22,787	28,464
	<u>173,144</u>	<u>165,781</u>
Amounts due after more than one year included above	<u>-</u>	<u>-</u>

<b>11 Creditors: amounts falling due within one year</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	44,210	62,096
Trade creditors	113,542	98,574
Amounts owed to group undertakings and undertakings in which the company has a participating interest	7,500	7,500
Corporation Tax payable	-	-
Taxation and social security costs	7,489	5,455
Other creditors	167,818	165,546
Accruals and deferred income	3,966	1,188
	<u>344,525</u>	<u>340,359</u>

<b>12 Creditors: amounts falling due after one year</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Bank loans	62,977	107,188

In October 2020 the Company took out a Coronavirus Business Interruption Loan from the Funding Circle. The loan was for £150,000 and is repayable over five years with the last payment being made in October 2025. No capital or interest payments were due to be made in the first twelve months of the loan period. The first year's interest payments and the loan fees were funded by the UK Government

<b>13 Deferred taxation - (debit)/credit</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
At 1 April 2022	8,643	6,659
Charge/(credit) for year (Note 6)	(8,609)	-
Transfer from/(to) current taxation	-	1,984
	<u>34</u>	<u>8,643</u>

<b>14 Share capital</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Allotted, issued and fully paid:		
19,748 A Ordinary shares of £1 each	19,748	19,748
8,147 B Ordinary shares of £1 each	8,147	8,147
1,468 C Ordinary shares of £1 each	16	16
363 E Ordinary shares of £1 each	363	363
363 O Ordinary shares of £1 each	363	363
363 T Ordinary shares of £1 each	363	363
363 R Ordinary shares of £ each	363	363
	<u>29,363</u>	<u>29,363</u>

All classes of share rank pari pasu in all respects with the other classes of shares.

#### **15 Events after the reporting date**

As mentioned in the Directors' Report the Company agreed in September 2022 to purchase the premises it operates from at 179 Junction Road, Burgess Hill, RH15 0JW for a consideration of £465,000. This purchase was completed in May 2023

<b>16 Capital commitments</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Amounts contracted for but not provided in the accounts		
- purchase of 179 Junction Road, Burgess Hill, RH15 0JW	<u>465,000</u>	<u>-</u>

#### **17 Related party transactions**

The directors have provided funds to the company to finance operations and the purchase of capital equipment. These funds are interest free and are repayable on demand.

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
At 31st March the total of such advances was	<u>167,022</u>	<u>164,623</u>

During the year payments totalling £6,434 (2022 - £6,411) for invoiced services have been made to KCL Management Services Ltd which is a company in which Mr T. E. Reynolds is a majority shareholder.

## **18 Controlling party**

The Company is a subsidiary undertaking of HCD Holdings Ltd (registration number 09913404 - England and Wales). The directors regard HCD Holdings Ltd as the Company's ultimate holding company.

## **19 Other information**

HCD Research Limited is a private company limited by shares and incorporated in England. Its registered office is:

HCD Research Ltd  
 179 Junction Road  
 Burgess Hill  
 West Sussex  
 RH15 0JW

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