

CAMBRIDGE ELECTRONIC DESIGN LIMITED

**FILLETED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

CAMBRIDGE ELECTRONIC DESIGN LIMITED
REGISTERED NUMBER: 00972132

STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	5	146,125	167,012
Investments	6	30	30
		<u>146,155</u>	<u>167,042</u>
Current assets			
Stocks		240,075	232,992
Debtors: amounts falling due within one year	7	356,508	363,076
Current asset investments	8	3,066,340	2,808,954
Cash at bank and in hand	9	1,437,529	1,607,647
		<u>5,100,452</u>	<u>5,012,669</u>
Creditors: amounts falling due within one year	10	(96,048)	(116,476)
Net current assets		<u>5,004,404</u>	<u>4,896,193</u>
Total assets less current liabilities		<u>5,150,559</u>	<u>5,063,235</u>
Provisions for liabilities			
Other provisions	12	(13,000)	-
		<u>(13,000)</u>	<u>-</u>
Net assets		<u><u>5,137,559</u></u>	<u><u>5,063,235</u></u>
Capital and reserves			
Called up share capital		200	200
Fair value reserve	13	352,862	282,170
Profit and loss account	13	4,784,497	4,780,865
		<u><u>5,137,559</u></u>	<u><u>5,063,235</u></u>

CAMBRIDGE ELECTRONIC DESIGN LIMITED
REGISTERED NUMBER: 00972132

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 JANUARY 2021

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the income statement in accordance with provisions applicable to companies subject to the small companies' regime.

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

G P Smith
Director

Date: 1 October 2021

The notes on pages 3 to 11 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021

1. General information

Cambridge Electronic Design Limited is a private limited company incorporated in England.

Registered Office:

Technical Centre

139 Cambridge Road

Milton

Cambridge

CB24 6AZ

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021

2. Accounting policies (continued)

2.6 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 profit or loss 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.

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021

2. Accounting policies (continued)

2.8 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- Term of the lease
Motor vehicles	- 25% straight line
Fixtures & fittings	- 10% straight line
Computer equipment	- 20% 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 profit or loss.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Income statement for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of financial position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.10 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 on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is 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.

2.11 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021

2. Accounting policies (continued)

2.12 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.

2.13 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.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.15 Financial instruments

The Company only enters into basic financial instrument 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 ordinary shares.

3. Employees

The average monthly number of employees, including directors, during the year was 20 (2020 - 20).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

4. Taxation

	2021 £	2020 £
Corporation tax		
Research & development credits for the year	(59,424)	(41,950)
	<u>(59,424)</u>	<u>(41,950)</u>
Total current tax	<u>(59,424)</u>	<u>(41,950)</u>
Deferred tax		
Origination and reversal of timing differences	(206)	(1,878)
Losses and other deductions	(4,825)	-
	<u>(5,031)</u>	<u>(1,878)</u>
Total deferred tax	<u>(5,031)</u>	<u>(1,878)</u>
Taxation on loss on ordinary activities	<u>(64,455)</u>	<u>(43,828)</u>

Factors affecting tax charge for the year

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19% (2020 - 19%).

Factors that may affect future tax charges

The company has trading losses of £241,257 (2020 - £241,257) to carry forward and offset against future

trading profits. This will have the effect of reducing future corporation tax liabilities. There were also capital losses of £18,422 (2020 - £13,374) carried forward.

The deferred tax asset of £32,614 (2020 - £27,583) has been recognised on the basis that the asset will be recovered in the immediate future. The company is able to claim research and development tax credits and there are significant losses available to carry forward.

CAMBRIDGE ELECTRONIC DESIGN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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5. Tangible fixed assets

	L/Term Leasehold Property £	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 February 2020	198,951	45,277	95,413	119,643	459,284
Additions	-	-	-	6,453	6,453
At 31 January 2021	198,951	45,277	95,413	126,096	465,737
Depreciation					
At 1 February 2020	58,615	45,277	76,219	112,161	292,272
Charge for the year on owned assets	19,895	-	2,743	4,702	27,340
At 31 January 2021	78,510	45,277	78,962	116,863	319,612
Net book value					
At 31 January 2021	120,441	-	16,451	9,233	146,125
At 31 January 2020	140,336	-	19,194	7,482	167,012

6. Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 February 2020	30
At 31 January 2021	30

CAMBRIDGE ELECTRONIC DESIGN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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7. Debtors

	2021 £	2020 £
Trade debtors	225,664	242,627
Other debtors	95,110	87,454
Prepayments and accrued income	3,120	5,412
Deferred taxation	32,614	27,583
	<u>356,508</u>	<u>363,076</u>

8. Current asset investments

	2021 £	2020 £
Listed investments	2,264,677	1,529,134
Cash deposits	801,663	1,279,820
	<u>3,066,340</u>	<u>2,808,954</u>

9. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	1,437,529	1,607,647
	<u>1,437,529</u>	<u>1,607,647</u>

10. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	26,015	43,513
Other taxation and social security	20,680	20,714
Other creditors	49,353	52,249
	<u>96,048</u>	<u>116,476</u>

CAMBRIDGE ELECTRONIC DESIGN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

11. Deferred taxation

	2021 £
At beginning of year	27,583
Charged to profit or loss	5,031
At end of year	<u>32,614</u>

The deferred tax asset is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(13,225)	(13,431)
Tax losses carried forward	45,839	41,014
	<u>32,614</u>	<u>27,583</u>

12. Provisions

	Hardware warranty £
Charged to profit or loss	13,000
At 31 January 2021	<u>13,000</u>

13. Reserves

Fair value reserve

This reserve records non-distributable gains/losses arising on adjusting investments to the deemed fair/market value.

Profit & loss account

This reserve represents all current and prior period retained profits and losses. A transfer has been made to the fair value reserve which represents the non-distributable adjustments to include investments in the accounts at fair/market value.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.