

SELECT RESEARCH LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 30 APRIL 2018

STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Intangible assets	4	755,507	555,384
Tangible assets	5	31,504	39,800
Investments	6	804	804
		<u>787,815</u>	<u>595,988</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	7	230,653	324,919
Cash at bank and in hand		50,326	54,536
		<u>280,979</u>	<u>379,455</u>
Creditors: amounts falling due within one year	8	(830,941)	(570,341)
NET CURRENT LIABILITIES		<u>(549,962)</u>	<u>(190,886)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>237,853</u>	<u>405,102</u>
Creditors: amounts falling due after more than one year		(428,730)	(250,000)
NET (LIABILITIES)/ASSETS		<u>(190,877)</u>	<u>155,102</u>
CAPITAL AND RESERVES			
Called up share capital	11	1,508	1,508
Share premium account		739,964	739,964
Profit and loss account		(932,349)	(586,370)
		<u>(190,877)</u>	<u>155,102</u>

SELECT RESEARCH LIMITED
REGISTERED NUMBER:02921698

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 APRIL 2018

The director considers 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 Companies Act 2006.

The director acknowledges his 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 statement of comprehensive income 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:

Mr R G Barnes
Director

Date: 10 January 2019

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

1. GENERAL INFORMATION

Select Research Limited, company number 02921698, is a company incorporated in England and Wales. The registered office is Malvern Hills Science Park, Geraldine Road, Malvern, Worcestershire, WR14 3SZ. The company is limited by shares.

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

2.2 GOING CONCERN

The directors have reviewed budgets and forecasts for a period of 12 months from approval of the accounts and with the continued support of the investors it is of their opinion that the company can continue as a going concern for the foreseeable future.

2.3 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 the Statement of comprehensive income 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 Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2. ACCOUNTING POLICIES (continued)

2.4 TURNOVER

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Rendering of services

Turnover 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 turnover 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.

2.5 RESEARCH AND DEVELOPMENT

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. Upon the completion of the project the capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.6 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of comprehensive income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.7 INTEREST INCOME

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.8 FINANCE COSTS

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2. ACCOUNTING POLICIES (continued)

2.9 BORROWING COSTS

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.10 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 the Statement of comprehensive income 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.

2.11 TAXATION

Tax is recognised in the Statement of comprehensive income, 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.

2.12 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.13 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018

2. ACCOUNTING POLICIES (continued)

2.13 TANGIBLE FIXED ASSETS (CONTINUED)

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:

Fixtures and fittings	-	10-20% straight line
Computer equipment	-	10-20% 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 the Statement of comprehensive income.

2.14 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 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.

2.16 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.

2.17 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.

2.18 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 non-puttable ordinary shares.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 7 (2017: 4).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018

4. INTANGIBLE ASSETS

	Other intangible fixed assets £	Develop-ment £	Goodwill £	Total £
COST				
At 1 May 2017	208,969	491,005	49,968	749,942
Additions	-	205,780	-	205,780
At 30 April 2018	<u>208,969</u>	<u>696,785</u>	<u>49,968</u>	<u>955,722</u>
AMORTISATION				
At 1 May 2017	144,590	-	49,968	194,558
Charge for the year	5,657	-	-	5,657
At 30 April 2018	<u>150,247</u>	<u>-</u>	<u>49,968</u>	<u>200,215</u>
NET BOOK VALUE				
At 30 April 2018	<u><u>58,722</u></u>	<u><u>696,785</u></u>	<u><u>-</u></u>	<u><u>755,507</u></u>
At 30 April 2017	<u><u>64,379</u></u>	<u><u>491,005</u></u>	<u><u>-</u></u>	<u><u>555,384</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018

5. TANGIBLE FIXED ASSETS

	Other fixed assets
	£
COST OR VALUATION	
At 1 May 2017	137,997
Additions	1,817
Disposals	(33,005)
	<hr/>
At 30 April 2018	106,809
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DEPRECIATION	
At 1 May 2017	98,197
Charge for the year on owned assets	10,113
Disposals	(33,005)
	<hr/>
At 30 April 2018	75,305
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NET BOOK VALUE	
	<hr/>
At 30 April 2018	31,504
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At 30 April 2017	39,800
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6. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies
	£
COST OR VALUATION	
At 1 May 2017	804
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At 30 April 2018	804
	<hr/>
NET BOOK VALUE	
	<hr/>
At 30 April 2018	804
	<hr/> <hr/>
At 30 April 2017	804
	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018

7. DEBTORS

	2018 £	2017 £
Trade debtors	37,526	12,288
Amounts owed by group undertakings	51,745	39,526
Other debtors	141,382	273,105
	<u>230,653</u>	<u>324,919</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Bank overdrafts	16,169	-
Bank loans	2,437	11,481
Trade creditors	106,791	140,806
Other taxation and social security	3,403	63,570
Other creditors	699,141	328,422
Accruals and deferred income	3,000	26,062
	<u>830,941</u>	<u>570,341</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 £	2017 £
Other loans	428,730	250,000
	<u>428,730</u>	<u>250,000</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018

10. LOANS

Analysis of the maturity of loans is given below:

	2018 £	2017 £
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank loans	2,437	11,481
	<u>2,437</u>	<u>11,481</u>
AMOUNTS FALLING DUE 1-2 YEARS		
Other loans	250,000	250,000
	<u>250,000</u>	<u>250,000</u>
AMOUNTS FALLING DUE AFTER MORE THAN 5 YEARS		
Other loans	178,730	-
	<u>178,730</u>	<u>-</u>
	<u><u>431,167</u></u>	<u><u>261,481</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018

11. SHARE CAPITAL

	2018 £	2017 £
ALLOTTED, CALLED UP AND FULLY PAID		
150,814 Ordinary shares of £0.01 each	<u>1,508</u>	<u>1,508</u>

12. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £800 (2017 - £439).

13. RELATED PARTY TRANSACTIONS

	2018 £	2017 £
Amount owed to directors	13,220	6,976
Loan to a related company	51,745	39,526
	<u>64,965</u>	<u>46,502</u>

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.