

Company Registration No. 05655711 (England and Wales)

CAWOOD SCIENTIFIC LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2016

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COMPANIES HOUSE

CAWOOD SCIENTIFIC LIMITED

COMPANY INFORMATION

Directors Mr N J Patrick
Mrs L J Radnor
Brandish Consulting Limited
Lord D T Y Curry of Kirkharle

Secretary Brandish Consulting Limited

Company number 05655711

Registered office Coopers Bridge
Braziers Lane
Winkfield Row
Bracknell
Berkshire
RG42 6NS

Auditors RSM UK Audit LLP
Chartered Accountants
Davidson House
Forbury Square
Reading
Berkshire
RG1 3EU

CAWOOD SCIENTIFIC LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The directors present the strategic report and financial statements for the year ended 31 March 2016.

Principal activities and review of the business

Cawood Scientific Limited is a business which trades in the analytical testing sector specialising in land-based materials and animal health and nutrition via three divisions. During the year the group has traded profitably. The principal performance indicators remain favourable and the future outlook for growth remains positive.

Principal risks and uncertainties

The business operates in the analytical testing sector focusing on land-based materials, animal nutrition products and serology testing. The current and expected future trend within these markets is for a continuing increase in testing as the demand for food production continues to rise, allied to the increased focus on monitoring standards maintained by regulatory authorities and consumer groups. Although financial risks are considered to be minimal at present, future interest rate, liquidity and foreign currency risks could arise and the Board will continue to monitor these risks in the new financial year.

Cash flow and credit risk

The company manages credit and cash flow risk by policies concerning credit offered to clients and regular monitoring of amounts outstanding for both time and credit limits. The company has no significant concentration of credit risk, with exposure spread over a large number of clients.

Financial risk

Arrangements for capital expenditure are managed in part through finance leases.

Key performance indicators

The business uses a number of measures to address performance. The key measures involve profitability, working capital and efficiency. The main measures are sales, gross margin % and debtor days. These KPIs for the year ended 31 March 2016 are as follows:

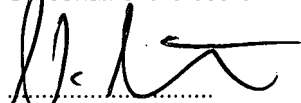
	2016	2015
Sales	£10,845,633	£10,098,543
Gross Margin %	80.5%	79.8%
Day sales outstanding	48	47

Future developments

The company anticipates further growth in sales and profits through the following areas:

- organic growth through offering wider services to existing clients and the attraction of new accounts;
- further development of new methods to improve efficiencies and develop new areas of business; and
- the acquisition of complementary businesses.

On behalf of the board



Mr N J Patrick

Director

21.7.16

CAWOOD SCIENTIFIC LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The directors present their annual report and financial statements for the year ended 31 March 2016.

Principal activities

The principal activity of the company continued to be that of analytical testing of land-based materials and animal nutrition products.

During the prior year the business undertakings of the trading subsidiaries held as fixed asset investments by the company were transferred to the company to enable them to operate as trading divisions of Cawood Scientific Limited.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr N J Patrick
Mrs L J Radnor
Brandish Consulting Limited
Lord D T Y Curry of Kirkharle

Results and dividends

The results for the year are set out on page 5.

Ordinary dividends were paid amounting to £505,000. The directors do not recommend payment of a final dividend.

Auditor

The auditor, RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), are deemed to be reappointed under section 487(2) of the Companies Act 2006.

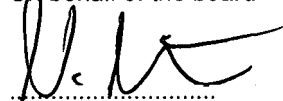
Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Strategic report

The director has chosen in accordance with section 414C(11) of the Companies Act 2006 to include in the Strategic Report matters otherwise required to be disclosed in the Director's Report as the director considers these are of strategic importance to the company.

Of behalf of the board



Mr N J Patrick

Director

21.7.16

CAWOOD SCIENTIFIC LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

The directors are responsible for preparing the Strategic Report and 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;
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAWOOD SCIENTIFIC LIMITED

We have audited the financial statements on pages 5 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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.

RSM UK Audit LLP

Perry Linton FCA (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Davidson House
Forbury Square
Reading
Berkshire
RG1 3EU
22.7.16

CAWOOD SCIENTIFIC LIMITED

STATEMENT OF COMPREHENSIVE INCOME

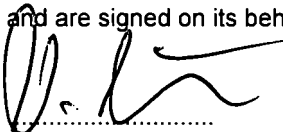
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	2015 £
Turnover	3	10,845,633	10,098,543
Cost of sales		(2,114,726)	(2,039,964)
Gross profit		8,730,907	8,058,579
Administrative expenses		(7,536,651)	(7,190,361)
Other operating expenses		(2,300)	3,440
Operating profit	4	1,191,956	871,658
Dividends receivable and similar income	7	5,485,112	32
Impairment of investments		(5,485,112)	-
Interest payable and similar charges	9	(36,804)	(23,117)
Profit on ordinary activities before taxation		1,155,152	848,573
Taxation	10	(282,339)	(204,569)
Profit for the financial year	25	872,813	644,004
Total comprehensive income for the year		872,813	644,004

CAWOOD SCIENTIFIC LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2016**

	Notes	2016 £	£	2015 £	£
Fixed assets					
Goodwill	12	839,016		1,237,149	
Tangible assets	13	2,467,620		2,395,822	
Investments	14	30,700		5,515,811	
		<u>3,337,336</u>		<u>9,148,782</u>	
Current assets					
Stocks	16	244,807		197,972	
Debtors	17	2,220,075		2,055,595	
Cash at bank and in hand		1,070,392		414,986	
		<u>3,535,274</u>		<u>2,668,553</u>	
Creditors: amounts falling due within one year	18	(2,866,229)		(8,266,058)	
Net current assets/(liabilities)			669,045		(5,597,505)
Total assets less current liabilities			<u>4,006,381</u>		<u>3,551,277</u>
Creditors: amounts falling due after more than one year	19		(376,436)		(312,546)
Provisions for liabilities	21		(148,390)		(124,989)
Net assets			<u>3,481,555</u>		<u>3,113,742</u>
Capital and reserves					
Called up share capital	24	721,429		721,429	
Share premium account		1,678,571		1,678,571	
Profit and loss reserves	25	1,081,555		713,742	
Total equity			<u>3,481,555</u>		<u>3,113,742</u>

The financial statements were approved by the board of directors and authorised for issue on 21.7.16...
and are signed on its behalf by:



Mr N J Patrick
Director

CAWOOD SCIENTIFIC LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 April 2014		721,429	1,678,571	69,738	2,469,738
Period ended 31 March 2015:					
Profit and total comprehensive income for the year		-	-	644,004	644,004
Balance at 31 March 2015		721,429	1,678,571	713,742	3,113,742
Period ended 31 March 2016:					
Profit and total comprehensive income for the year		-	-	872,813	872,813
Dividends	11	-	-	(505,000)	(505,000)
Balance at 31 March 2016		721,429	1,678,571	1,081,555	3,481,555

CAWOOD SCIENTIFIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

Company information

Cawood Scientific Limited is a company limited by shares incorporated in England and Wales. The registered office is Coopers Bridge, Braziers Lane, Winkfield Row, Bracknell, Berkshire, RG42 6NS.

The company's principal activities are disclosed in the Directors' Report.

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.

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 £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements are the first financial statements of Cawood Scientific Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Cawood Scientific Limited for the year ended 31 March 2015 were prepared in accordance with UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

In accordance with FRS 102, the company has taken advantage of the exemptions from the following disclosure requirements;

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Cawood Scientific Limited is a wholly owned subsidiary of Meritas Developments Limited and the results of Cawood Scientific Limited are included in the consolidated financial statements of Meritas Developments Limited which are available from Companies House.

CAWOOD SCIENTIFIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies (Continued)

Going concern

The company forms part of the Meritas Developments Limited group. The group meets its day to day working capital requirements through a revolving credit facility with its bankers.

The directors have prepared forecasts for the group for a period of 12 months from the date of approval of these financial statements. These forecasts take account of reasonable possible changes in trading performance in all areas of the business.

These forecasts and projections show that the group is expected to be able to operate within the level of its current facilities and in the view of the directors there is significant headroom under the committed facility to enable the group to trade.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

All income and charges relating to the financial year to which the accounts relate have been taken into account, irrespective of the date of receipt or payment.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Intangible fixed assets - goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing the excess of the fair value of the consideration given over the fair values of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, up to a maximum of 10 years. It is reviewed for impairment at the end of the first full financial year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings leasehold	10 years or life of lease, whichever is shorter
Plant and machinery	8 years straight line
Fixtures, fittings and equipment	3 years straight line
Computer equipment	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

CAWOOD SCIENTIFIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies (Continued)

Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities 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 profit or loss.

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.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making provisions for obsolete and slow moving items. Cost comprises of direct materials and, where applicable, those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its net realisable value is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' 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.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Basic financial assets, which include trade and other receivables 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.

CAWOOD SCIENTIFIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies (Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

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 payables, bank loans, loans from fellow group companies 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 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 and deferred tax is charged or credited to the profit or loss, 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.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

CAWOOD SCIENTIFIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies (Continued)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable. The assets of the scheme are held separately from those of the company in an independently administered fund. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

CAWOOD SCIENTIFIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

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 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 £	2015 £
Turnover analysed by class of business		
Analytical testing services	10,845,633	10,098,543
	<u>10,845,633</u>	<u>10,098,543</u>
Turnover analysed by geographical market		
	2016 £	2015 £
United Kingdom	10,610,165	9,895,082
Europe	211,146	194,062
Rest of world	24,322	9,399
	<u>10,845,633</u>	<u>10,098,543</u>

4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	416	216
Research and development costs	52,537	68,906
Fees payable to the company's auditors for the audit of the company's financial statements	-	44,376
Depreciation of owned tangible fixed assets	374,469	381,562
Depreciation of tangible fixed assets held under finance leases	148,559	88,014
Profit on disposal of tangible fixed assets	(15,492)	-
Amortisation of intangible assets	398,133	396,933
Cost of stocks recognised as an expense	1,300,264	1,175,888
Operating lease charges	228,276	208,340
	<u>2,292,152</u>	<u>2,063,935</u>

During the year auditors remuneration totalling £42,000 was paid by the parent company on behalf of Cawood Scientific Limited.

CAWOOD SCIENTIFIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Administration and management	46	48
Technical	117	122
	<u>163</u>	<u>170</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	3,864,912	3,609,242
Social security costs	309,484	291,522
Pension costs	130,051	128,832
	<u>4,304,447</u>	<u>4,029,596</u>

6 Directors' remuneration

	2016 £	2015 £
Sums paid to third parties for directors' services	<u>11,559</u>	<u>18,299</u>

7 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	-	32
Income from fixed asset investments		
Income from shares in group undertakings	<u>5,485,112</u>	<u>-</u>
Total income	<u>5,485,112</u>	<u>32</u>

CAWOOD SCIENTIFIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

8 Other gains and losses

	2016 £	2015 £
Impairment of investments	(5,485,112)	-

As a result of the hive up of trade and assets in the prior year and the distribution of dividends from those subsidiaries disclosed in note 7 above, the carrying value of the related investments has been impaired down to its net realisable value.

9 Interest payable and similar charges

	2016 £	2015 £
Interest on bank overdrafts and loans	-	804
Interest on finance leases and hire purchase contracts	36,804	22,313
	<u>36,804</u>	<u>23,117</u>

10 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	173,727	74,461
Adjustments in respect of prior periods	-	(33,690)
Group tax relief	85,211	106,026
Total current tax	<u>258,938</u>	<u>146,797</u>
Deferred tax		
Origination and reversal of timing differences	<u>23,401</u>	<u>57,772</u>
Total tax charge	<u>282,339</u>	<u>204,569</u>

CAWOOD SCIENTIFIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

10 Taxation (Continued)

The charge for the year can be reconciled to the profit per the statement of comprehensive income as follows:

	2016 £	2015 £
Profit before taxation	1,155,152	848,573
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 21.00%)	231,030	178,200
Tax effect of expenses that are not deductible in determining taxable profit	1,098,580	11,414
Tax effect of income not taxable in determining taxable profit	(1,097,022)	-
Permanent capital allowances in excess of depreciation	66,239	(9,127)
Under/(over) provided in the year	-	(33,690)
Deferred tax adjustments in respect of prior years	(16,488)	57,772
Tax expense for the year	282,339	204,569

11 Dividends

	2016 £	2015 £
Interim paid	505,000	-
	505,000	-

12 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2015 and 31 March 2016	1,634,082
Amortisation and impairment	
At 1 April 2015	396,933
Amortisation charged for the year	398,133
At 31 March 2016	795,066
Carrying amount	
At 31 March 2016	839,016
At 31 March 2015	1,237,149

CAWOOD SCIENTIFIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

13 Tangible fixed assets

	Land and buildings leasehold	Plant and machinery	Fixtures, fittings and equipment	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 April 2015	39,802	2,342,143	337,759	145,694	2,865,398
Additions	-	594,826	-	-	594,826
Disposals	-	(26,305)	-	-	(26,305)
At 31 March 2016	39,802	2,910,664	337,759	145,694	3,433,919
Depreciation and impairment					
At 1 April 2015	-	469,576	-	-	469,576
Depreciation charged in the year	15,081	452,308	53,884	1,755	523,028
Eliminated in respect of disposals	-	(26,305)	-	-	(26,305)
At 31 March 2016	15,081	895,579	53,884	1,755	966,299
Carrying amount					
At 31 March 2016	24,721	2,015,085	283,875	143,939	2,467,620
At 31 March 2015	39,802	1,872,567	337,759	145,694	2,395,822

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £148,559 (2015 - £88,014) for the year.

	2016 £	2015 £
Plant and machinery	878,602	829,777

14 Fixed asset investments

	Notes	2016 £	2015 £
Investments in subsidiaries	15	30,700	5,515,811

CAWOOD SCIENTIFIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

14 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares £
Cost or valuation	
At 1 April 2015 & 31 March 2016	5,515,811
Impairment	
At 1 April 2015	-
Impairment losses	5,485,111
At 31 March 2016	5,485,111
Carrying amount	
At 31 March 2016	30,700
At 31 March 2015	5,515,811

15 Subsidiaries

These financial statements are separate company financial statements for Cawood Scientific Limited.

Details of the company's subsidiaries at 31 March 2016 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Sciante Analytical Services Limited	England and Wales	Analytical testing of animal nutrition materials	Ordinary	100.00
Natural Resource Management Limited	England and Wales	Analytical testing of land based materials	Ordinary	100.00
Sci-Tech Laboratories Limited	England and Wales	Analytical testing of animal health materials	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Sciante Analytical Services Limited	-	30,500
Natural Resource Management Limited	-	100
Sci-Tech Laboratories Limited	-	100

CAWOOD SCIENTIFIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

16	Stocks		2016	2015
			£	£
	Consumables		244,807	197,972
17	Debtors		2016	2015
			£	£
	Amounts falling due within one year:			
	Trade debtors		1,988,968	1,827,037
	Gross amounts due from contract customers		101,043	101,263
	Other debtors		1,901	-
	Prepayments and accrued income		128,163	127,295
			2,220,075	2,055,595
18	Creditors: amounts falling due within one year		2016	2015
		Notes	£	£
	Obligations under finance leases	20	218,772	170,047
	Trade creditors		577,609	504,067
	Amounts due to group undertakings		1,198,750	6,900,286
	Corporation tax		173,727	74,461
	Other taxation and social security		449,156	358,202
	Accruals and deferred income		248,215	258,995
			2,866,229	8,266,058
	Obligations under finance leases are secured on the assets concerned.			
19	Creditors: amounts falling due after more than one year		2016	2015
		Notes	£	£
	Obligations under finance leases	20	376,436	312,546
20	Finance lease obligations		2016	2015
			£	£
	Future minimum lease payments due under finance leases:			
	Less than one year		218,772	170,047
	Between one and five years		376,436	312,546
			595,208	482,593

CAWOOD SCIENTIFIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

20 Finance lease obligations (Continued)

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

21 Provisions for liabilities

	Notes	2016 £	2015 £
Deferred tax liabilities	22	148,390	124,989
		<u>148,390</u>	<u>124,989</u>

22 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £
Balances:		
Accelerated capital allowances	153,049	130,070
Other timing differences	(4,659)	(5,081)
	<u>148,390</u>	<u>124,989</u>
Movements in the year:		2016 £
Liability at 1 April 2015		124,989
Charge to profit or loss		23,401
Liability at 31 March 2016		<u>148,390</u>

The deferred tax liability set out above is expected to reverse in the foreseeable future and relates to accelerated capital allowances that are expected to mature within the same period.

The deferred tax asset set out above is expected to reverse in the foreseeable future and relates to the utilisation of tax losses against future expected profits of the same period.

CAWOOD SCIENTIFIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

23 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £130,051 (2015 - £128,832).

At the balance sheet date amounts of £25,881 (2015 - £25,405) remained outstanding and are included in accruals.

24 Share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
14,428,580 Ordinary shares of 5p each	721,429	721,429

Each Ordinary share carries the right to a dividend and one vote at a general meeting.

25 Reserves

Share premium

This represents consideration received for shares issued above their nominal value net of transaction costs.

Profit and loss reserves

This represents the cumulative profit and loss net of distributions to owners.

26 Financial commitments, guarantees and contingent liabilities

The company has given an unlimited intercompany guarantee to Natwest Bank Plc in connection with the Meritas Developments Limited group revolving credit facility.

As at 31 March 2016 this amounted to £1.6 million (2015: £2 million).

CAWOOD SCIENTIFIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

27 Operating lease commitments

Lessee

The company has a policy of leasing various items of office equipment under operating lease agreements.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2015 £
Within one year	85,796	166,953
Between two and five years	338,243	340,007
In over five years	322,731	406,764
	<u>746,770</u>	<u>913,724</u>

28 Controlling party

The company's immediate parent undertaking and its ultimate parent undertaking is Meritas Developments Limited, a company registered in England and Wales. The smallest and largest group in which the results of the company are consolidated is that headed by Meritas Developments Limited. Copies of the financial statements of Meritas Developments Limited can be obtained from the Registrar of Companies, Companies House.

The company is controlled by the directors of Meritas Developments Limited.