

XI ENGINEERING CONSULTANTS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
PAGES FOR FILING WITH REGISTRAR



XI ENGINEERING CONSULTANTS LIMITED

COMPANY INFORMATION

Directors	Mr M J Fullerton Dr M-P Buckingham Mr J G Stewart Dr B A Marmo	(Appointed 1 December 2016)
Company number	SC386913	
Registered office	5th Floor 125 Princes Street Edinburgh EH2 4AD	
Accountants	Johnston Carmichael LLP 7-11 Melville Street Edinburgh EH3 7PE	

XI ENGINEERING CONSULTANTS LIMITED

CONTENTS

	Page
Balance sheet	1 - 2
Statement of changes in equity	3
Notes to the financial statements	4 - 10

XI ENGINEERING CONSULTANTS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Intangible assets	3		3,660		873
Tangible assets	4		473		3,338
			<u>4,133</u>		<u>4,211</u>
Current assets					
Debtors	5	126,736		77,138	
Cash at bank and in hand		15,023		44,540	
		<u>141,759</u>		<u>121,678</u>	
Creditors: amounts falling due within one year	6	<u>(54,871)</u>		<u>(51,412)</u>	
Net current assets			<u>86,888</u>		<u>70,266</u>
Total assets less current liabilities			<u>91,021</u>		<u>74,477</u>
Creditors: amounts falling due after more than one year	7		<u>(34,200)</u>		<u>(49,800)</u>
Net assets			<u><u>56,821</u></u>		<u><u>24,677</u></u>
Capital and reserves					
Called up share capital	8		81		81
Share premium account			400,060		400,060
Profit and loss reserves			<u>(343,320)</u>		<u>(375,464)</u>
Total equity			<u><u>56,821</u></u>		<u><u>24,677</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

XI ENGINEERING CONSULTANTS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2016

For the financial year ended 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 21/4/17 and are signed on its behalf by:



Dr M-P Buckingham
Director

Company Registration No. SC386913

XI ENGINEERING CONSULTANTS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2015	81	400,060	(345,100)	55,041
Year ended 31 December 2015: Loss and total comprehensive expense for the year	-	-	(30,364)	(30,364)
Balance at 31 December 2015	81	400,060	(375,464)	24,677
Year ended 31 December 2016: Profit and total comprehensive income for the year	-	-	32,144	32,144
Balance at 31 December 2016	81	400,060	(343,320)	56,821

XI ENGINEERING CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Xi Engineering Consultants Limited is a private company limited by shares incorporated in Scotland. The registered office is 5th Floor, 125 Princes Street, Edinburgh, EH2 4AD.

1.1 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 £.

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

These financial statements for the year ended 31 December 2016 are the first financial statements of Xi Engineering Consultants Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

Financial projections have been prepared for a period of 12 months from the signing of the accounts, which show increased turnover levels and a projected profit position based on the directors assessment of work pipeline crystallising into revenue. The directors are therefore satisfied that the accounts should be prepared on a going concern basis.

1.3 Turnover

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

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.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation 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:

Software	33.33% - 100% straight line
----------	-----------------------------

XI ENGINEERING CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.5 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:

Plant and machinery	33.33% straight line
Computer equipment	33.33% - 100% straight line
Fixtures and fittings	33.33% 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.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

XI ENGINEERING CONSULTANTS LIMITED

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

1 Accounting policies

(Continued)

1.8 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 in the company's balance sheet 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.

Basic financial assets

Basic financial assets, which include debtors 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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 creditors, 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. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date. Research and development tax credits are recognised on a systematic basis as the entity recognises the costs for which the research and development tax credits are intended to incentivise, and only to the extent that the directors are satisfied, based on previous claims, that amounts will be recoverable.

XI ENGINEERING CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 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.

1.11 Leases

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.

1.12 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

1.14 Amounts recoverable on contracts

Amounts recoverable on contracts represents the value of work completed but unbilled. Amounts recoverable on contracts are valued as a percentage of the project work completed to year end which is yet to be invoiced.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 6 (2015 - 6).

XI ENGINEERING CONSULTANTS LIMITED

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

3 Intangible fixed assets

	Other £
Cost	
At 1 January 2016	36,805
Additions	4,744
At 31 December 2016	41,549
Amortisation and impairment	
At 1 January 2016	35,932
Amortisation charged for the year	1,957
At 31 December 2016	37,889
Carrying amount	
At 31 December 2016	3,660
At 31 December 2015	873

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2016	21,925
Additions	1,682
At 31 December 2016	23,607
Depreciation and impairment	
At 1 January 2016	18,587
Depreciation charged in the year	4,547
At 31 December 2016	23,134
Carrying amount	
At 31 December 2016	473
At 31 December 2015	3,338

XI ENGINEERING CONSULTANTS LIMITED

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

5 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	110,595	16,433
Amounts recoverable on contracts	7,270	-
Other debtors	-	50,508
Prepayments and accrued income	8,871	10,197
	<u>126,736</u>	<u>77,138</u>

6 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	20,365	27,220
Other taxation and social security	16,845	10,208
Other creditors	17,661	13,984
	<u>54,871</u>	<u>51,412</u>

7 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Other creditors	<u>34,200</u>	<u>49,800</u>

8 Called up share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
810,000 Ordinary Shares of 0.01p each	<u>81</u>	<u>81</u>

XI ENGINEERING CONSULTANTS LIMITED

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

9 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2016 £	2015 £
Aggregate compensation	93,517	97,356

Transactions with related parties

During the year, the company was charged £nil (2015: £6,000) by a company with a common director.

Included within creditors falling due after more than one year, is £28,688 (2015: £39,000) due to directors, in relation to loans provided in the period. Interest is charged on this loan at a rate of 2.5%.

No guarantees have been given or received.

10 Reconciliations on adoption of FRS 102

Reclassification of capitalised software

Under UK GAAP, IT software costs were capitalised as tangible assets. However, FRS 102 requires software to be accounted for as an intangible asset, and therefore the relevant amounts have been reclassified.