Scott-Moncrieff
business advisers and accountants

XI ENGINEERING CONSULTANTS LIMITED

Company registration number SC386913

FILING FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

TUESDAY

S77XTZUB
SCT 12/06/2018 #775
COMPANIES HOUSE

COMPANIES HOUSE
12 JUN 2018
EDINBURGH FRONT DESK

XI ENGINEERING CONSULTANTS LIMITED

CONTENTS

	Page
Company Information	1
Balance Sheet	2 - 3
Notes to the Financial Statements	4 - 11

XI ENGINEERING CONSULTANTS LIMITED

COMPANY INFORMATION

Directors	M-P Buckingham B A Marmo R J Mcleod (appointed 12 December 2017)
Registered number	SC386913
Registered office	5th Floor 125 Princes Street Edinburgh EH2 4AD
Accountants	Scott-Moncrieff Chartered Accountants Exchange Place 3 Semple Street Edinburgh EH3 8BL

XI ENGINEERING CONSULTANTS LIMITED
REGISTERED NUMBER:SC386913

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note		2017 £		*2016 £*
Fixed assets					
Intangible assets	4		**664**		*3,660*
Tangible assets	5		**4,391**		*473*
			5,055		*4,133*
Current assets					
Debtors: amounts falling due within one year	6	**114,085**		*126,736*	
Cash at bank and in hand		**37,550**		*15,023*	
		151,635		*141,759*	
Creditors: amounts falling due within one year	7	**(90,392)**		*(54,871)*	
Net current assets			**61,243**		*86,888*
Total assets less current liabilities			**66,298**		*91,021*
Creditors: amounts falling due after more than one year	8		**(8,627)**		*(34,200)*
Net assets			**57,671**		*56,821*
Capital and reserves					
Called up share capital			**81**		*81*
Share premium account			**400,060**		*400,060*
Profit and loss account			**(342,470)**		*(343,320)*
			57,671		*56,821*

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.

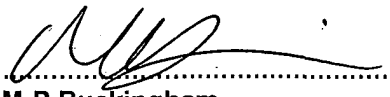
The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of Section 1A 'Small Entities' of Financial Reporting Standard 102.

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

As permitted by Section 444 of the Companies Act 2006, the directors have not been delivered to the Registrar a copy of the company's Statement or Income and Retained Earnings for the year ended 31 December 2017.

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2017

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



M-P Buckingham
Director
6 June 2018

The notes on pages 4 to 11 form part of these financial statements.

1. General information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the company's transactions are denominated. They comprise the financial statements of the company drawn up for the year ended 31 December 2017.

The continuing activities of Xi Engineering Consultants Limited are of engineering consultancy specialising in measurement, simulation and virtual prototyping to improve products and solve complex issues through the efficient deployment of appropriate technologies.

The company is a private company limited by shares and is incorporated in the United Kingdom and registered in Scotland. Details of the registered office can be found on the company information page of these financial statements. The company's registered number is SC386913.

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 applicable law and United Kingdom Accounting Standards including Section 1A 'Small Entities' of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities.)

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.

The following principal accounting policies have been applied:

2.2 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 crystalising into revenue. The directors are therefore satisfied that the accounts should be prepared on a going concern basis.

2.3 Revenue

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. Accounting policies (continued)

2.4 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.5 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 Income and Retained Earnings 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 Income and Retained Earnings in the same period as the related expenditure.

2.6 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

2.7 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings 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.

2.8 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 Income and Retained Earnings 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 Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

2. Accounting policies (continued)

2.9 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

2.10 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, 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 balance sheet date in the countries where the Company operates and generates income.

2.11 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.

2.12 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:

Lab equipment	-	33% straight line
Office equipment	-	33% straight line
Computer equipment	-	33% 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 Income and Retained Earnings.

2.13 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. Accounting policies (continued)

2.14 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.

2.15 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 non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

2.16 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.

3. Employees

The average monthly number of employees, including directors, during the year was 6 *(2016 - 6)*.

4. Intangible assets

	Computer software £
Cost	
At 1 January 2017	**41,549**
At 31 December 2017	**41,549**
Amortisation	
At 1 January 2017	**37,889**
Charge for the year	**2,996**
At 31 December 2017	**40,885**
Net book value	
At 31 December 2017	**664**
At 31 December 2016	*3,660*

5. Tangible fixed assets

	Office equipment £	Computer equipment £	Lab equipment £	Total £
Cost or valuation				
At 1 January 2017	**1,760**	**18,423**	**3,424**	**23,607**
Additions	**-**	**168**	**4,521**	**4,689**
At 31 December 2017	**1,760**	**18,591**	**7,945**	**28,296**
Depreciation				
At 1 January 2017	**1,714**	**18,190**	**3,230**	**23,134**
Charge for the year on owned assets	**46**	**280**	**445**	**771**
At 31 December 2017	**1,760**	**18,470**	**3,675**	**23,905**
Net book value				
At 31 December 2017	**-**	**121**	**4,270**	**4,391**
At 31 December 2016	*46*	*233*	*194*	*473*

6. Debtors

	2017 £	*2016 £*
Trade debtors	**88,158**	*110,595*
Prepayments and accrued income	**9,991**	*8,871*
Amounts recoverable on contracts	**15,936**	*7,270*
	114,085	*126,736*

7. Creditors: Amounts falling due within one year

	2017 £	2016 £
Other loans	**18,073**	-
Trade creditors	**16,579**	*20,365*
Other taxation and social security	**17,030**	*16,845*
Other creditors	**2,092**	-
Accruals and deferred income	**36,618**	*17,661*
	90,392	*54,871*

8. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Other loans	**8,627**	*34,200*
	8,627	*34,200*

9. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year		
Other loans	**18,073**	-
	18,073	-
Amounts falling due 1-2 years		
Other loans	**8,627**	*34,200*
	8,627	*34,200*
	26,700	*34,200*

10. Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	*2016* *£*
Not later than 1 year	**7,072**	*7,072*
	7,072	*7,072*

11. Related party transactions

Included within creditors is £21,188 (*2016 : £28,688*) of loans from existing directors and former directors. Interest is charged on these loans at 2% above the base rate.