

**ACTIVE ELECTRONICS PLC**  
**REGISTERED NUMBER: 01531348**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	13	80,603	95,590
Investments	14	1,178	1,178
		<u>81,781</u>	<u>96,768</u>
<b>Current assets</b>			
Stocks	15	748,881	664,317
Debtors: amounts falling due within one year	16	1,369,235	1,789,247
Cash at bank and in hand	17	2,109,049	3,279,519
		<u>4,227,165</u>	<u>5,733,083</u>
Creditors: amounts falling due within one year	18	(878,983)	(1,934,250)
<b>Net current assets</b>		<u>3,348,182</u>	<u>3,798,833</u>
<b>Total assets less current liabilities</b>		<u>3,429,963</u>	<u>3,895,601</u>
<b>Net assets</b>		<u>3,429,963</u>	<u>3,895,601</u>
<b>Capital and reserves</b>			
Called up share capital	21	50,009	50,009
Profit and loss account		3,379,954	3,845,592
		<u>3,429,963</u>	<u>3,895,601</u>

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

.....  
**G L Ireland**  
 Director

Date: 10/2/2018

TUESDAY




LD1 \*L78G7820\*  
 19/06/2018 #101  
 COMPANIES HOUSE

**ACTIVE ELECTRONICS PLC**  
**REGISTERED NUMBER: 01531348**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	13	80,603	96,377
		<u>80,603</u>	<u>96,377</u>
<b>Current assets</b>			
Stocks	15	773,925	674,422
Debtors: amounts falling due within one year	16	1,397,646	1,664,308
Cash at bank and in hand	17	2,142,524	3,433,378
		<u>4,314,095</u>	<u>5,772,108</u>
Creditors: amounts falling due within one year	18	(964,114)	(1,982,369)
<b>Net current assets</b>		<u>3,349,981</u>	<u>3,789,739</u>
<b>Total assets less current liabilities</b>		<u>3,430,584</u>	<u>3,886,116</u>
<b>Net assets</b>		<u>3,430,584</u>	<u>3,886,116</u>
<b>Capital and reserves</b>			
Called up share capital	21	50,009	50,009
Profit and loss account		3,380,575	3,836,107
		<u>3,430,584</u>	<u>3,886,116</u>

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

  
.....  
G L Ireland  
Director

Date: 10/3/2018

The notes on pages 13 to 28 form part of these financial statements.

Co H

Registered number: 01531348

**ACTIVE ELECTRONICS PLC**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**ACTIVE ELECTRONICS PLC**

**COMPANY INFORMATION**

<b>Directors</b>	G L Ireland C L Homewood S J Roe J A Roe (appointed 9 February 2017, resigned 20 October 2017)
<b>Registered number</b>	01531348
<b>Registered office</b>	Unit 6 The Valley Centre Gordon Road High Wycombe Buckinghamshire HP13 6EQ
<b>Independent auditors</b>	James Cowper Kreston Reading Bridge House George Street Reading Berkshire RG1 8LS
<b>Bankers</b>	Lloyds Bank Plc 27-31 White Hart Street High Wycombe Buckinghamshire HP11 2HL
<b>Solicitors</b>	Charsley Harrison LLP Windsor House Victoria Street Windsor Berkshire SL4 1EN

## **ACTIVE ELECTRONICS PLC**

### **CONTENTS**

	<b>Page</b>
<b>Group Strategic Report</b>	<b>1</b>
<b>Directors' Report</b>	<b>2 - 3</b>
<b>Independent Auditors' Report</b>	<b>4 - 6</b>
<b>Consolidated Statement of Comprehensive Income</b>	<b>7</b>
<b>Consolidated Balance Sheet</b>	<b>8</b>
<b>Company Balance Sheet</b>	<b>9</b>
<b>Consolidated Statement of Changes in Equity</b>	<b>10</b>
<b>Company Statement of Changes in Equity</b>	<b>11</b>
<b>Consolidated Statement of Cash Flows</b>	<b>12</b>
<b>Notes to the Financial Statements</b>	<b>13 - 28</b>

## ACTIVE ELECTRONICS PLC

### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

#### Business review

Group sales grew by 5.5% during the year primarily as a result of significant sales growth of products sold to the defence market. Unfortunately the Group experienced a downturn in the military aerospace procurement market which had an adverse impact to the overall sales growth.

During the year the Group has invested in new franchises which should develop new sales and customers in both the military and aerospace markets. These franchises together with continued market development using our existing stable of defence products should develop sufficient sales growth to return the Group to good profitability.

#### Principal risks and uncertainties

The key risk/uncertainty affecting the group's future prospects is ongoing demand for its products and services. Such demand is affected by economic conditions generally and, in particular, by UK and overseas government spending levels on defence.

#### Financial key performance indicators

The group uses a number of financial and non-financial key performance indicators (KPIs) to measure the performance of the group and the prime financial key performance indicators are:

- Return on investment
- Gross margin control
- Budgetary control
- Day sales outstanding

These objectives are achieved through both strong financial management and competitive cost effective sourcing of electronic components.

#### Other key performance indicators

Non-financial key performance indicators are:

- Maintain accreditation to BS EN 9120 and BS EN 9100
- Quality performance to SC21 silver standard
- Reduction in supplier and customer rejects
- Market Share
- On time delivery performance of in excess of 95%

The group's performance in respect of financial KPIs can be derived from the financial statements. Analysis of performance against non-financial KPIs is not disclosed as this information is commercially sensitive.

This report was approved by the board and signed on its behalf.

  
.....  
G L Ireland  
Director

Date:

10/3/2018

## **ACTIVE ELECTRONICS PLC**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report and the financial statements for the year ended 31 December 2017.

#### **Principal activity**

The principal activity of the Group is the supply of electronic components, assemblies and kits of components primarily to the aerospace and defence industries.

#### **Dividends**

The loss for the year, after taxation, amounted to £83,406 (2016 - loss £93,812).

During the year a dividend of £20,000 (2016 - £20,000) was paid to shareholders.

#### **Directors**

The directors who served during the year were:

G L Ireland  
C L Homewood  
S J Roe  
J A Roe (appointed 9 February 2017, resigned 20 October 2017)

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**ACTIVE ELECTRONICS PLC**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.


**Post balance sheet events**

There have been no significant events affecting the Group since the year end.

**Auditors**

The auditors, James Cowper Kreston, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

  
.....  
G L Ireland  
Director  
Date: 10/3/2018



**ACTIVE ELECTRONICS PLC**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Share Capital £	Retained Earnings £	Total Equity £
At 1 January 2017	50,009	3,836,107	3,886,116
<b>Comprehensive income for the year</b>			
Loss for the year	-	(83,406)	(83,406)
Currency translation differences	-	(2,126)	(2,126)
<b>Other comprehensive income for the year</b>	-	(2,126)	(2,126)
<b>Total comprehensive income for the year</b>	-	(85,532)	(85,532)
Dividends: Equity capital	-	(20,000)	(20,000)
Purchase of own shares	-	(350,000)	(350,000)
<b>Total transactions with owners</b>	-	(370,000)	(370,000)
<b>At 31 December 2017</b>	<b>50,009</b>	<b>3,380,575</b>	<b>3,430,584</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Share Capital £	Retained Earnings £	Total Equity £
At 1 January 2016	50,009	3,944,843	3,994,852
<b>Comprehensive income for the year</b>			
Loss for the year	-	(93,812)	(93,812)
Currency translation differences	-	5,076	5,076
<b>Other comprehensive income for the year</b>	-	5,076	5,076
<b>Total comprehensive income for the year</b>	-	(88,736)	(88,736)
Dividends: Equity capital	-	(20,000)	(20,000)
<b>Total transactions with owners</b>	-	(20,000)	(20,000)
<b>At 31 December 2016</b>	<b>50,009</b>	<b>3,836,107</b>	<b>3,886,116</b>

The notes on pages 13 to 28 form part of these financial statements.

**ACTIVE ELECTRONICS PLC**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Share Capital £	Retained Earnings £	Total Equity £
At 1 January 2017	50,009	3,845,592	3,895,601
<b>Comprehensive income for the year</b>			
Loss for the year	-	(95,638)	(95,638)
	-	(95,638)	(95,638)
<b>Total comprehensive income for the year</b>			
<b>Contributions by and distributions to owners</b>			
Dividends: Equity capital	-	(20,000)	(20,000)
Purchase of own shares	-	(350,000)	(350,000)
	-	(370,000)	(370,000)
<b>Total transactions with owners</b>			
<b>At 31 December 2017</b>	<b>50,009</b>	<b>3,379,954</b>	<b>3,429,963</b>

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Share Capital £	Retained Earnings £	Total Equity £
At 1 January 2016	50,009	3,888,671	3,938,680
<b>Comprehensive income for the year</b>			
Loss for the year	-	(23,079)	(23,079)
	-	(23,079)	(23,079)
<b>Total comprehensive income for the year</b>			
<b>Contributions by and distributions to owners</b>			
Dividends: Equity capital	-	(20,000)	(20,000)
	-	(20,000)	(20,000)
<b>Total transactions with owners</b>			
<b>At 31 December 2016</b>	<b>50,009</b>	<b>3,845,592</b>	<b>3,895,601</b>

The notes on pages 13 to 28 form part of these financial statements.

**ACTIVE ELECTRONICS PLC**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 £	2016 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(83,406)	(93,812)
<b>Adjustments for:</b>		
Depreciation of tangible assets	50,909	48,822
Loss on disposal of tangible assets	(7,529)	(3,000)
Interest received	(8,539)	(15,289)
(Increase)/decrease in stocks	(99,503)	66,532
Decrease/(increase) in debtors	266,299	(211,144)
(Decrease)/increase in creditors	(1,018,255)	646,336
Corporation tax (paid)	(1,134)	(2,164)
Unrealised exchange adjustment	(592)	2,428
<b>Net cash generated from operating activities</b>	<u>(901,750)</u>	<u>438,709</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(35,172)	(31,465)
Sale of tangible fixed assets	7,529	3,000
Interest received	8,539	16,989
<b>Net cash from investing activities</b>	<u>(19,104)</u>	<u>(11,476)</u>
<b>Cash flows from financing activities</b>		
Dividends paid	(20,000)	(20,000)
Purchase of own shares	(350,000)	-
<b>Net cash used in financing activities</b>	<u>(370,000)</u>	<u>(20,000)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(1,290,854)</u>	<u>407,233</u>
Cash and cash equivalents at beginning of year	3,433,378	3,026,145
<b>Cash and cash equivalents at the end of year</b>	<u><u>2,142,524</u></u>	<u><u>3,433,378</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	2,142,524	3,433,378
	<u><u>2,142,524</u></u>	<u><u>3,433,378</u></u>

## ACTIVE ELECTRONICS PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

#### 1. Accounting policies

##### 1.1 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 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 Group management to exercise judgment in applying the Group accounting policies (see note 2).

##### 1.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

##### 1.3 Revenue

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

###### Sale of goods

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

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

##### 1.4 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.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

## ACTIVE ELECTRONICS PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

#### 1. Accounting policies (continued)

##### 1.4 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:

Motor vehicles	-	25% straight line
Office equipment	-	15% -25% 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 Consolidated Statement of Comprehensive Income.

##### 1.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any consideration paid.

##### 1.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour cost and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### 1.7 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.

##### 1.8 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

## ACTIVE ELECTRONICS PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

#### 1. Accounting policies (continued)

##### 1.9 Financial instruments

The Group 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 Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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 Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

##### 1.10 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.

## **ACTIVE ELECTRONICS PLC**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

#### **1. Accounting policies (continued)**

##### **1.11 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 Consolidated 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 Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

##### **1.12 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

##### **1.13 Operating leases: the Group as lessee**

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

##### **1.14 Pensions**

###### **Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

## ACTIVE ELECTRONICS PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

#### 1. Accounting policies (continued)

##### 1.15 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

##### 1.16 Provisions for liabilities

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

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

##### 1.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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 balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.



## ACTIVE ELECTRONICS PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

#### 2. General information

Active Electronics Plc is a Public limited company which was incorporated in England and Wales. The address of its registered office and principal place of business is:

Unit 6 The Valley Centre  
Gordon Road  
High Wycombe  
Buckinghamshire  
HP13 6EQ

#### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

##### Stock provision

Judgement is exercised in applying the above accounting policy in respect of stock impairment provisions.

#### 4. Turnover

The analysis of turnover by geographic market has not been disclosed because, in the opinion of the directors, public disclosure of this information would be seriously prejudicial to the interests of the company.

#### 5. Operating loss

The operating loss is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets	50,909	48,822
Exchange differences	24,535	(101,492)
Operating lease rentals - land and buildings	147,808	135,051
Operating lease rentals - plant and machinery	17,096	18,345
Defined contribution pension cost	61,357	57,741

**ACTIVE ELECTRONICS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**6. Auditors' remuneration**

	2017 £	2016 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>13,300</u>	<u>13,000</u>
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
Taxation compliance services	<u>3,300</u>	<u>3,000</u>
<b>Total non-audit</b>	<u><u>3,300</u></u>	<u><u>3,000</u></u>

**7. Employees**

Staff costs including directors remuneration, were as follows:

	2017 £	2016 £
Wages and salaries	1,218,768	1,264,024
Social security costs	122,266	125,582
Cost of defined contribution scheme	61,357	57,741
	<u><u>1,402,391</u></u>	<u><u>1,447,347</u></u>

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Administration	21	21
Selling	15	15
	<u><u>36</u></u>	<u><u>36</u></u>

**ACTIVE ELECTRONICS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**8. Directors' remuneration**

	<b>2017</b> <b>£</b>	<b>2016</b> <b>£</b>
Directors' emoluments	<b>251,585</b>	239,382
Company contribution to defined contribution pension schemes	<b>20,649</b>	19,818
	<u><b>272,234</b></u>	<u>259,200</u>

During the year retirement benefits were accruing to 3 directors (2016 - 3) in respect of defined benefit pension schemes.

The highest paid director received remuneration of £109,911 (2016 - £85,566).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9,554 (2016 - £9,793).

The directors' consider the key management personnel to be the same as the directors. The key management remuneration is therefore the same as the directors' remuneration.

**9. Interest receivable**

	<b>2017</b> <b>£</b>	<b>2016</b> <b>£</b>
Other interest receivable	<b>8,539</b>	15,289
	<u><b>8,539</b></u>	<u>15,289</u>

**ACTIVE ELECTRONICS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**10. Taxation**

	2017 £	2016 £
<b>Corporation tax</b>		
Current tax for the year	3,318	-
	<u>3,318</u>	<u>-</u>
<b>Foreign tax</b>		
Foreign tax in respect of prior periods	1,441	2,584
	<u>1,441</u>	<u>2,584</u>
<b>Total current tax</b>	<u>4,759</u>	<u>2,584</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	2,209	(2,404)
	<u>2,209</u>	<u>(2,404)</u>
<b>Taxation on profit on ordinary activities</b>	<u>6,968</u>	<u>180</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Loss on ordinary activities before tax	<u>(76,438)</u>	<u>(93,632)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	<u>(14,714)</u>	<u>(18,726)</u>
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,790	424
Adjustments to tax charge in respect of prior periods	1,441	2,584
Unrelieved tax losses carried forward	15,796	15,244
Other differences leading to an increase in the tax charge	1,655	654
<b>Total tax charge for the year</b>	<u>6,968</u>	<u>180</u>

**ACTIVE ELECTRONICS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**11. Dividends**

	2017 £	2016 £
Dividends paid on equity capital	20,000	20,000
	<u>20,000</u>	<u>20,000</u>

**12. Parent company profit for the year**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent Company for the year was £95,623 (2016 - loss £23,079).

**13. Tangible fixed assets**

**Group**

	Motor vehicles £	Office equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2017	142,609	328,418	471,027
Additions	-	35,172	35,172
Disposals	(21,989)	-	(21,989)
Exchange adjustments	-	(6,404)	(6,404)
At 31 December 2017	<u>120,620</u>	<u>357,186</u>	<u>477,806</u>
<b>Depreciation</b>			
At 1 January 2017	90,198	284,452	374,650
Charge for the year	25,585	25,324	50,909
Disposals	(21,989)	-	(21,989)
Exchange adjustments	-	(6,367)	(6,367)
At 31 December 2017	<u>93,794</u>	<u>303,409</u>	<u>397,203</u>
<b>Net book value</b>			
At 31 December 2017	<u>26,826</u>	<u>53,777</u>	<u>80,603</u>
At 31 December 2016	<u>52,411</u>	<u>43,966</u>	<u>96,377</u>

**ACTIVE ELECTRONICS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**13. Tangible fixed assets (continued)**

**Company**

	<b>Motor vehicles £</b>	<b>Office equipment £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 January 2017	142,609	253,809	396,418
Additions	-	35,172	35,172
Disposals	(21,989)	-	(21,989)
At 31 December 2017	<u>120,620</u>	<u>288,981</u>	<u>409,601</u>
<b>Depreciation</b>			
At 1 January 2017	90,198	210,630	300,828
Charge for the year	25,585	24,574	50,159
Disposals	(21,989)	-	(21,989)
At 31 December 2017	<u>93,794</u>	<u>235,204</u>	<u>328,998</u>
<b>Net book value</b>			
At 31 December 2017	<u>26,826</u>	<u>53,777</u>	<u>80,603</u>
At 31 December 2016	<u>52,411</u>	<u>43,179</u>	<u>95,590</u>

# ACTIVE ELECTRONICS PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### 14. Fixed asset investments

#### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Genspark Limited	Ordinary Shares	100 %	Distribution of components and equipment
Roe Electronics Limited	Ordinary Shares	100 %	Dormant

Name	Registered office
Genspark Limited	USA
Roe Electronics Limited	U.K

#### Company

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2017	1,178
At 31 December 2017	1,178
<b>Net book value</b>	
At 31 December 2017	1,178
At 31 December 2016	1,178

### 15. Stocks

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Work in progress (goods to be sold)	12,824	48,485	12,824	48,485
Finished goods and goods for resale	761,101	625,937	736,057	615,832
	<u>773,925</u>	<u>674,422</u>	<u>748,881</u>	<u>664,317</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

**ACTIVE ELECTRONICS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**16. Debtors**

	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Company 2017 £</b>	<b>Company 2016 £</b>
Trade debtors	1,286,890	1,492,746	1,270,589	1,462,506
Amounts owed by group undertakings	-	-	-	170,955
Other debtors	17,779	35,763	13,354	28,257
Prepayments and accrued income	88,966	131,425	84,367	124,705
Deferred taxation	4,011	4,374	925	2,824
	<u>1,397,646</u>	<u>1,664,308</u>	<u>1,369,235</u>	<u>1,789,247</u>

**17. Cash and cash equivalents**

	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Company 2017 £</b>	<b>Company 2016 £</b>
Cash at bank and in hand	2,142,524	3,433,378	2,109,049	3,279,519
	<u>2,142,524</u>	<u>3,433,378</u>	<u>2,109,049</u>	<u>3,279,519</u>

**18. Creditors: Amounts falling due within one year**

	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Company 2017 £</b>	<b>Company 2016 £</b>
Trade creditors	748,807	924,854	671,949	884,408
Amounts owed to group undertakings	-	-	4,191	1,078
Other taxation and social security	89,973	110,953	89,973	110,953
Other creditors	25,771	216,623	15,084	209,816
Accruals and deferred income	99,563	729,939	97,786	727,995
	<u>964,114</u>	<u>1,982,369</u>	<u>878,983</u>	<u>1,934,250</u>



# ACTIVE ELECTRONICS PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### 19. Financial instruments

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
<b>Financial assets</b>				
Cash and cash equivalents	2,142,524	3,433,378	2,109,049	3,279,519
Financial assets that are debt instruments measured at amortised cost	1,304,669	1,565,897	1,283,943	1,699,106
	<u>3,447,193</u>	<u>4,999,275</u>	<u>3,392,992</u>	<u>4,978,625</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	(874,141)	(1,236,578)	(789,010)	(1,188,469)
	<u>(874,141)</u>	<u>(1,236,578)</u>	<u>(789,010)</u>	<u>(1,188,469)</u>

Financial assets measured at amortised cost comprise trade debtors and other debtors and amounts owed by related parties.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, and amounts owed to group undertakings and related parties.

The company uses a variety of financial instruments including debtors and creditors which arise directly from its operations. The main purpose of these financial instruments is to provide working capital.

The risk associated with the company's financial instruments is outlined below:

#### *Credit risk*

The main credit risk arises from trade debtors. The directors manage this risk through setting credit limits for individual customers and performing robust credit control procedures including regular reviews of outstanding balances. The company's cash is deposited with large financial institutions in the UK and the directors consider the associated credit risk to be low.

#### *Liquidity risk*

The company seeks to manage this risk by ensuring that sufficient liquid resources are available to meet future needs and to invest cash safely and profitably. Cash flows are monitored closely.

#### *Interest rate risk*

The company is not exposed to material interest rate risk as it has no borrowings.

#### *Foreign currency risk*

The company is exposed to some foreign currency risk, as it trades across borders, however this risk is acceptable and hedging is not routinely undertaken.

**ACTIVE ELECTRONICS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**20. Deferred taxation**

**Group**

	2017 £	2016 £
At beginning of year	4,374	1,507
Charged to profit or loss	(363)	2,867
<b>At end of year</b>	<b>4,011</b>	<b>4,374</b>

**Company**

	2017 £	2016 £
At beginning of year	2,824	241
Charged to profit or loss	(1,899)	2,583
<b>At end of year</b>	<b>925</b>	<b>2,824</b>

The deferred tax asset is made up as follows:

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Fixed asset timing differences	4,011	4,374	925	2,824
	<b>4,011</b>	<b>4,374</b>	<b>925</b>	<b>2,824</b>

**21. Share capital**

	2017 £	2016 £
<b>Authorised</b>		
1,000,000 Ordinary Shares shares of £1 each	1,000,000	1,000,000
<b>Allotted, called up and fully paid</b>		
50,009 Ordinary Shares shares of £1 each	50,009	50,009

**22. Pension commitments**

The group operates a defined contribution scheme for the benefit of the directors and senior employees. The assets of the scheme are administered by trustees in a fund independent from those of the group.

## ACTIVE ELECTRONICS PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

#### 23. Commitments under operating leases

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

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Not later than 1 year	163,553	156,444	128,413	118,883
Later than 1 year and not later than 5 years	431,400	571,306	332,513	424,696
	<u>594,953</u>	<u>727,750</u>	<u>460,926</u>	<u>543,579</u>

#### 24. Related party transactions

The parent undertaking holds 100% of the voting rights of all its subsidiary undertakings and as such has taken the exemption under FRS 102 not to disclose transactions between group entities.

#### 25. Ultimate Controlling party

Mr S Roe is considered by the directors as the ultimate controlling party of the parent undertaking as he is the majority shareholder of Active Electronics Plc.