

Miro Technologies Limited

**Annual report and financial statements
for the year ended 31 December 2017**

Registered number: 1781077

FRIDAY



A7FF396B

A13

28/09/2018

#223

COMPANIES HOUSE

Miro Technologies Limited

Annual report and financial statements for the year ended 31 December 2017

CONTENTS

	Page
Directors' report	1
Directors' responsibilities statement	3
Independent auditor's report to the member of Miro Technologies Limited	4
Profit and loss account	6
Statement of comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Notes to the financial statements	9

Miro Technologies Limited

Directors' report

The directors present their report and financial statements for Miro Technologies Limited (the "Company") for the year ended 31 December 2017.

Review of the business

The principal activity of the Company is custom software development and system integration solutions, primarily around its core suite of GOLDesp software products. The products provide MRO (maintenance, repair & overhaul), supply chain, asset, and logistics solutions. The Company's consolidated financial results include the activity reported for its branch registered in Oman as Miro Technologies Limited – Oman branch.

The activity for the year on the Company's principal contract has progressed as the business had expected, with revenue results reported in line with the increase in the percentage completion of costs incurred in the year. Business with other group companies during the year resulted in a lower revenue to the prior year due to a change in the mix of projects being delivered to the rest of the group.

Following a change in management responsibility and a diligent process to accurately reconstruct these financial statements, a number of changes to prior year reported numbers have been identified and restated herein. Please refer to Note 1 for further details

Directors

The directors who served throughout the year and subsequently, except as noted, were as follows:

DDM Turner

RS Mills

SJ Burnell

TK Pickett

M Roberts (resigned 26 September 2017)

Director's indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

BDO LLP were the previous auditors. Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Miro Technologies Limited

Directors' report (continued)

Events after the balance sheet date

The directors are not aware of any post balance sheet events that would have a material impact on the reported Financial Statements of the Company.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Approved by the Board and signed on its behalf by:



RS Mills
Director

28 September 2018
Building 330 The Crescent, Bristol Business Park, Bristol, BS16 1EJ

Miro Technologies Limited

Directors' responsibilities statement

The directors are responsible for preparing the annual 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), including FRS 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 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; and
- 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 member of Miro Technologies Limited

Report on the audit of the financial statements

Disclaimer of opinion

We do not express an opinion on the accompanying financial statements of Miro Technologies Limited (the 'company'). Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We were engaged to audit the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 13.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for disclaimer of opinion

Following a change in responsibility for the preparation of the financial statements, it became clear that appropriate processes and controls had not been operating over the preparation of financial statements in prior years. The process of reconciling the year-end balance sheet identified material unsupported balances brought forward which have now been reversed as prior year adjustments. This is explained in more detail in notes 2 and 3 to the financial statements. As a result of the breakdown in processes and controls we were unable to obtain sufficient and appropriate audit evidence on the completeness of transactions for the year ended 31 December 2017 within the financial statements.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct our audit in accordance with International Standards on Auditing (UK) and to issue an auditor's report.

However because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Independent auditor's report to the member of Miro Technologies Limited (continued)

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2006

Notwithstanding our disclaimer of an opinion on the financial statements, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Notwithstanding our disclaimer of an opinion on the financial statements, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit performed subject to the limitation described above, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.


Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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

We have nothing to report in respect of these matters.

Use of our report

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.



Sonya Butters FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Bristol, United Kingdom
28 September 2018

Miro Technologies Limited

Profit and loss account For the year ended 31 December 2017

		2017 £	Restated 2016 £
Turnover		5,978,951	9,827,784
Cost of sales		(3,837,555)	(7,337,475)
Gross profit		2,141,396	2,490,309
Administrative expenses		(1,227,270)	(1,385,564)
Operating profit		914,126	1,104,745
Finance cost	4	(207,103)	(275,106)
Profit on ordinary activities before taxation	5	707,023	829,639
Tax on profit on ordinary activities		(413,976)	(520,426)
Profit for the financial year attributable to the equity shareholder of the Company		293,047	309,213

All results derive from continuing operations.

Statement of comprehensive income For the year ended 31 December 2017

	2017 £	Restated 2016 £
Profit for the financial year	293,047	309,213
Other comprehensive income:		
Gain arising on translation to presentation currency	1,170,540	-
Total comprehensive income attributable to the equity shareholder of the Company	1,463,587	309,213

No interim dividend was paid and the directors recommend no final dividend for the period (2016: £nil).

Miro Technologies Limited

Balance sheet

As at 31 December 2017

		31/12/17	Restated 31/12/16	Restated 01/01/16
	Note	£	£	£
Fixed assets				
Tangible assets	7	-	8,186	22,135
Current assets				
Stocks	8	-	565,053	559,715
Debtors	9	8,891,664	6,154,165	2,631,924
Cash at bank and in hand		6,113,701	7,265,397	5,770,672
		15,005,365	13,984,615	8,962,311
Creditors: amounts falling due within one year	10	(15,169,294)	(13,659,547)	(8,973,667)
Net current assets / (liabilities)		(163,929)	325,068	(11,356)
Total assets less current liabilities		(163,929)	333,254	10,779
Creditors: amounts falling greater than one year		-	-	(40,210)
Provisions	11	(828,923)	(2,789,693)	(2,736,221)
Net liabilities		(992,852)	(2,456,439)	(2,765,652)
Capital and reserves				
Called up share capital		100	100	100
Profit and loss account		(992,952)	(2,456,539)	(2,765,752)
Total shareholder's funds		(992,852)	(2,456,439)	(2,765,652)

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements of Miro Technologies Limited, registered number 1781077, were approved by the Board of Directors and authorised for issue on 28 September 2018. They were signed on its behalf by:



RS Mills
Director

Miro Technologies Limited

Statement of changes in equity As at 31 December 2017

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2016 (as previously reported)	100	(4,049,554)	(4,049,454)
Impact of restatement of prior years (see note 3)		1,283,802	1,283,802
At 1 January 2016 (restated)	100	(2,765,752)	(2,765,652)
Profit for the financial year	-	309,213	309,213
At 31 December 2016 (restated)	100	(2,456,539)	(2,456,439)
Profit for the financial year		293,047	293,047
Other comprehensive income for the year		1,170,540	1,170,540
At 31 December 2017	100	(992,952)	(992,852)

Miro Technologies Limited

Notes to the financial statements

1 Accounting policies

The Company's principal accounting policies, which have been applied consistently in the current and preceding year, are summarised below.

a. General information and basis of accounting

Miro Technologies Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 2.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Following a change in management responsibilities for preparing the Financial Statements of the Company, management have performed detailed reconciliations of the assets and liabilities held by the Company as part of the process of closing the books for the year.

Management reworked the basis of the revenue recognition calculation for its primary long term contract, and as a result, the 2016 opening and closing balances relating to the contract have been restated.

In addition it was identified that balances relating to internal trade within the Company were not fully eliminated for the 2016 financial statements, and revaluations of closing intercompany debtor and creditor balances in foreign currencies needed to be revalued in accordance with FRS 102.

Net adjustments on these specific balance sheet accounts required a prior year restatement to reserves of £2.5m. A detailed analysis of the impacted balance sheet and profit and loss account impacts can be seen in note 3 of the accounts, with further explanation in note 2.

In light of these challenges management have focussed on preparing a fully reconciled and supported balance sheet as at 31 December 2017, so that they have a stable basis from which to prepare the 2018 accounts.

b. Going concern

At 31 December 2017 the Company had net liabilities of £992,852 and is dependent on the continued financial support of fellow group companies. The directors have obtained confirmation from these companies that they will continue to provide financial support for its continued operations for a period of not less than one year since the date of approval of these financial statements. Based on this support, the directors have a reasonable expectation that the Company will continue in operation for the foreseeable future and therefore have prepared the financial statements on the going concern basis.

c. Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible assets, other than freehold land and assets under construction, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Leasehold improvements	5 years
Office equipment	3 years

Miro Technologies Limited

Notes to the financial statements

1 Accounting policies (continued)

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

d. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value unless the arrangement constitutes a financing transaction.

Financial assets and liabilities are only offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

e. Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Provision is made for obsolete, slow-moving or defective items where appropriate.

f. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Miro Technologies Limited

Notes to the financial statements

1 Accounting policies (continued)

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

g. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

h. Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a service contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Miro Technologies Limited

Notes to the financial statements

1 Accounting policies (continued)

i. Employee benefits

The Company operates a defined contribution scheme. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are included as either accruals or prepayments in the balance sheet.

j. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. Exchange differences are recognised in profit or loss in the period in which they arise.

k. Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

l. Provisions

Where the unavoidable costs of a contract exceed the economic benefit agreed to be received from it, a provision is made for the remaining obligations under the contract. This is released over the remaining contract term.

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these financial statements, the directors have made the following judgements and estimates:

Miro Technologies Limited

Notes to the financial statements

2 Critical accounting judgements and key sources of estimation uncertainty (continued)

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

The primary revenue reported by the Company is derived from a long term service contract, and its policies are further explained within accounting policies notes. The assessment of revenue and margin is supported by a detailed approval process on a quarterly basis, with senior management challenging the key inputs to the Estimate to Completion (EAC) model for the contract's lifecycle. Actual to date results are confirmed against those reported in the Company's accounts. Future revenue and costs require an element of judgement; risks and opportunities are evaluated and management ensure they assess all areas of information available to them when approving each EAC model.

Recoverability of amounts due from third parties

A significant proportion of the closing trade debtors' balance is monies due in relation to the Company's primary contract. The age of the debt is greater than one year. Management are confident that the debt is recoverable, the Company is working with the customer to finalise other contract details and subsequently collect the amounts due.

The amounts recoverable on contract, reported in debtors on the balance sheet, is related to this same contract. Management are also confident in the recoverability of this asset.

There has been no provision for doubtful debt created in respect of this debt.

Key source of estimation uncertainty – Onerous contracts

As stated above, the primary revenue reported by the Company is derived from a long term service contract. If the Company has an onerous contract (where unavoidable costs of meeting an obligation exceed the economic benefits expected to be received), the present obligation under the contract should be recognised and measured as a provision.

The Company has previously identified its primary contract as onerous and has measured the provision at the best estimate of the amount required to settle the contract obligation. The discounted future cash flows of the estimated contract loss has created the value of the provision which is held in Provision for liabilities (see note 11) at the end of the year and is valued at £2,543,468 with an in year release of £1,306,891.

Re-construction of prior year balances

Subsequent to the filing of the 2016 accounts the management of the Company decided to appoint new auditors to align with other Boeing entities in the UK, and as part of this exercise the management responsibilities for preparing the Financial Statements of the Company was also re-aligned.

As part of the process of closing the books for the year, management performed detailed reconciliations of the assets and liabilities held by the Company. Certain assets and liabilities in the 2016 closing balance sheet could not be supported. A number of prior year accounting adjustments could not be fully supported, and as a result, additional investigative work was performed on the prior year accounts. This resulted in a restatement of certain opening and closing 2016 account balances.

Miro Technologies Limited

Notes to the financial statements

2 Critical accounting judgements and key sources of estimation uncertainty (continued)

Management recalculated the revenue recognition of its primary long term contract, changing the underlying calculations from milestone basis to percentage of completion on costs. As a result, the opening and closing 2016 balances relating to the contract: the amounts recoverable on the contract (reported within Debtors) and the provision on the onerous contract, have been restated. In addition, the provision was discounted to its net present value, as required by FRS 102, and re-classified on the face of the balance sheet between current and non-current liabilities.

It was also identified that restatements were required for the intercompany balances reported in both debtors and creditors on the balance sheet. The balances relating to internal trade within the Company were not fully eliminated for the 2016 financial statements. The balance on elimination was written to the reserves. In addition, closing intercompany trade balances that were denominated in a foreign currency had not been revalued.

Net adjustments on these specific balance sheet accounts required a prior year restatement to reserves of £2.55m. A detailed analysis of the impacted balance sheet and profit and loss account movements can be seen in Note 3 of the accounts.

Management have focussed significant and exhaustive effort on preparing a fully reconciled and supported balance sheet as at 31 December 2017 that presents a True and Fair view of the financial position of the company. Management are confident these accounts present a stable basis from which to prepare the 2018 accounts.

3 Impact of restatement of prior years

The following table summarises the impacts of the restatement of the Company's prior year profit & loss results.

Impact on profit or loss

Impact on profit / (loss) for the year ended 31 December 2016:

		£
Revenue		
• Increase due to change in revenue recognition calculations	(2)	2,334,817
Cost of sales		
• Elimination of imbalance of intercompany transactions between the internal branches of the Company	(1)	1,902,866
• Decrease due to change in revenue recognition calculations and offset to Provision	(3)	(3,363,840)
Other costs		
• Closing FX revaluation on intercompany debtors and creditors	(4)	672,639
• Discount wind down on provision	(3)	(278,346)
Increase in profit for the year		1,268,136

Miro Technologies Limited

Notes to the financial statements

3 Impact of restatement of prior years (continued)

The following tables summarise the impacts of the restatement of the Company's prior year balance sheet.

Impact on assets, liabilities and equity as at 1 January 2016		As previously reported £	Restatement adjustments £	As restated £
Tangible fixed assets		22,135	-	22,135
Stock		559,715	-	559,715
Intercompany debtors	(4)	2,229,781	(53,273)	2,176,508
Amounts recoverable on contracts	(2)	192,498	198,256	390,754
Other debtors	(2)	2,148,904	(2,084,242)	64,662
Cash at bank and in hand		5,770,672	-	5,770,672
Intercompany creditors	(4)	(7,004,185)	35,637	(6,968,548)
Other creditors due in less than 1 year		(1,256,407)	-	(1,256,407)
Creditors due in more than 1 year		(40,210)	-	(40,210)
Provisions (current & non-current)	(3)	(6,672,357)	3,187,424	(3,484,933)
Capital		(100)	-	(100)
Accumulated losses	(5)	4,049,554	(1,283,802)	2,765,752

Impact on assets, liabilities and equity as at 31 December 2016		As previously reported £	Restatement adjustments £	As restated £
Tangible fixed assets		8,186	-	8,186
Stock		565,053	-	565,053
Intercompany debtors	(1,4)	2,998,061	(1,446,896)	1,551,165
Amounts recoverable on contracts	(2)	192,498	1,949,164	2,141,662
Other debtors	(2)	3,970,077	(1,508,739)	2,461,338
Cash at bank and in hand		7,265,397	-	7,265,397
Intercompany creditors	(1,4)	(16,088,215)	4,004,765	(12,083,450)
Other creditors due in less than 1 year	(3)	(502,518)	(220,854)	(723,372)
Provisions (current & non-current)	(3)	(3,416,914)	(225,503)	(3,642,417)
Capital		(100)	-	(100)
Accumulated losses	(5)	5,008,475	(2,551,937)	2,456,538

Miro Technologies Limited

Notes to the financial statements

3 Impact of restatement of prior years (continued)

- (1) The closing balances of the intercompany transactions between the UK and other affiliates of the Company did not eliminate out on consolidation in the reported financial statements for the year ended 31 December 2016. The closing net creditor in 2016 has subsequently been transferred to the 2016 cost of sales in the profit and loss account.
- (2) The revenue recognition calculation in relation to the Company's primary contract was adjusted. Amounts recoverable on contract and unbilled balances (the latter reported within Other Debtors) were limited to milestone recognitions not yet paid. The restated calculations report amounts recoverable on contract as being the difference between the amounts billed to the customer to date, and revenue recognised on the contract, based off revenue being calculated on a percent completion basis on cost. The base calculations are performed in the currency of the contract and translated into the functional currency of GBP.
- (3) The provision for the onerous contract has been recalculated. The base calculations have also been performed in the currency of the contract and translated into the functional currency of GBP. The provision has furthermore been discounted, in line with FRS 102 requirements.
- (4) Those intercompany debtor and creditor balances with closing open items that were not denominated in the functional currency of the Company had not been revalued to the closing FX rates. The restatement has subsequently revalued these balances at the closing FX rate, in line with FRS 102 requirements.
- (5) The profit and loss account was adjusted for items (1) through (4) above.

4 Finance cost

	2017	Restated 2016
	£	£
Bank interest receivable and similar income	839	3,240
Unwinding of discounts on provisions (see note 11)	(207,942)	(278,346)
Net finance cost	(207,103)	(275,106)

5 Profit on ordinary activities before taxation

	2017	Restated 2016
	£	£
Loss on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation	8,186	13,949
Foreign exchange (gain)/loss	426,260	(672,639)
Auditor's remuneration – audit fees	45,000	9,750

Miro Technologies Limited

Notes to the financial statements

6 Employees

The average monthly number of employees (including executive directors) during the year was 28 (2016: 27).

There is no directors' remuneration within the current year (2016: £nil).

7 Tangible fixed assets

	Leasehold improvements £	Office equipment £	Total £
Cost			
At 1 January 2017	5,926	82,976	88,902
Disposals	(2,836)	(11,876)	(14,712)
At 31 December 2017	3,090	71,100	74,190
Accumulated depreciation			
At January 2017	5,926	74,790	80,716
Charge for the year	-	8,186	8,186
Disposals	(2,836)	(11,876)	(14,712)
At 31 December 2017	3,090	71,100	74,190
Net book value:			
At 31 December 2017	-	-	-
At 31 December 2016	-	8,186	8,186

There was no change in the prior year restatement to the reported fixed asset balances.

8 Stocks

	31/12/17 £	Restated 31/12/16 £	Restated 01/01/16 £
Computers	-	565,053	559,715

The inventory held at January 1 2017 was sold during the year.

Miro Technologies Limited

Notes to the financial statements

9 Debtors

	31/12/17	Restated 31/12/16	Restated 01/01/16
	£	£	£
Amounts falling due within one year:			
Trade debtors	1,622,603	1,997,761	1,693
Amounts owed by group undertakings	1,518,132	1,551,165	2,176,508
Other debtors	984,796	278,254	18,021
Prepayments	288,981	185,323	44,948
Amounts recoverable on long term contracts	4,477,152	2,141,662	390,754
	8,891,664	6,154,165	2,631,924

10 Creditors: amounts falling due within one year

	31/12/17	Restated 31/12/16	Restated 01/01/16
	£	£	£
Trade creditors	45,149	47,978	120,186
Amounts owed to group undertakings	12,892,469	12,083,450	6,968,548
Provisions (see note 11)	1,714,545	852,724	748,712
Corporation tax	-	-	122,879
Other taxes and social security	125,826	299,577	282,592
Other creditors	128,550	127,218	68,779
Accruals and deferred income	262,755	248,600	661,971
	15,169,294	13,659,547	8,973,667

All creditors are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Miro Technologies Limited

Notes to the financial statements

11 Provisions for liabilities

	2017	Restated 2016	Restated 2015
	£	£	£
Balance as at 1 January	3,642,417	3,484,933	
Initial recognition			3,484,933
Released to the profit & loss account	(1,306,891)	(120,862)	
Unwinding of discounts	207,942	278,346	
Balance as at 31 December	2,543,468	3,642,417	3,484,933
Current (note 10)	1,714,545	852,724	748,712
Non-current	828,923	2,789,693	2,736,221

Provisions for liabilities relates to the loss recognised on the Company's primary revenue contract. The provision is denominated in the currency of the contract and any foreign exchange translation of the provision balance is included within the balance charged to the profit and loss account. The contract loss has been further described in note 2.

12 Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2017	2016
	£	£
Within one year	39,743	33,788
Between one and five years	80,253	-
	119,996	33,788

13 Ultimate parent company and controlling party

The smallest group of which the Company is a member for which group accounts are prepared is Tapestry Solutions Inc., a company incorporated in the USA. The address of Tapestry Solution Inc.'s registered office is 5643 Copley Drive, San Diego, California, 92111, USA.

On 24 March 2017 Miro Holdings Inc. merged with and into Tapestry Solutions Inc. Prior to this date, the parent of the smallest group of which the Company's results were consolidated was Miro Holdings Inc. The address of Miro Holdings Inc.'s registered office is 5643 Copley Drive, San Diego, California, 92111, USA.

The ultimate parent company, controlling party and largest group of which the Company is a member for which group accounts are prepared is The Boeing Company, a company incorporated in the State of Delaware, USA. Copies of the group consolidated accounts can be obtained from The Boeing Company, 100 North Riverside Plaza, Chicago, Illinois, 60606, USA.