

Company Registration No. 04401901 (England and Wales)

**PLOUGHSHARE INNOVATIONS LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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# **PLOUGHSHARE INNOVATIONS LTD**

## **COMPANY INFORMATION**

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<b>Directors</b>	S J Callister D R English J M Henderson J M Kirby A J Mackintosh P A White M D Carr	(Appointed 1 May 2016)
<b>Secretary</b>	Mitre Secretaries Limited	
<b>Company number</b>	04401901	
<b>Registered office</b>	Unit 2 Nine Mile Water Nether Wallop Near Stockbridge Hampshire SO20 8DR	
<b>Auditor</b>	Richardsons Chartered Accountants 30 Upper High Street Thame Oxfordshire OX9 3EZ	

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# **PLOUGHSHARE INNOVATIONS LTD**

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# PLOUGHSHARE INNOVATIONS LTD

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2017

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

#### Principal activities

The principal activity of the company continued to be that of the management of technology transfer activities on behalf of the Defence Science and Technology Laboratory (Dstl), an Executive Agency for the UK Ministry of Defence (MoD).

#### Directors

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

S J Callister	
R M Drummond	(Resigned 31 August 2016)
D R English	
W Hall	(Resigned 30 September 2016)
J M Henderson	
J M Kirby	
A J Mackintosh	
P A White	
M D Carr	(Appointed 1 May 2016)

#### Auditor

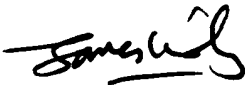
In accordance with the company's articles, a resolution proposing that Richardsons Chartered Accountants be reappointed as auditor of the company will be put at a General Meeting.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

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

On behalf of the board



J M Kirby

Director

30th May 2017

# **PLOUGHSHARE INNOVATIONS LTD**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2017**

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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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **PLOUGHSHARE INNOVATIONS LTD**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF PLOUGHSHARE INNOVATIONS LTD**

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We have audited the financial statements of Ploughshare Innovations Ltd for the year ended 31 March 2017 which comprise the Profit And Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

As 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our 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.

# **PLOUGHSHARE INNOVATIONS LTD**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF PLOUGHSHARE INNOVATIONS LTD**

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



**Simon Husband (Senior Statutory Auditor)**  
**for and on behalf of Richardsons Chartered Accountants**

**Chartered Accountants**  
**Statutory Auditor**

  
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30 Upper High Street  
Thame  
Oxfordshire  
OX9 3EZ

# **PLOUGHSHARE INNOVATIONS LTD**

## **PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 MARCH 2017**

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	Notes	2017 £	2016 £
<b>Turnover</b>		2,027,162	2,526,983
Cost of sales		(85,493)	(405,191)
<b>Gross profit</b>		<u>1,941,669</u>	<u>2,121,792</u>
Administrative expenses		(1,795,727)	(1,794,476)
<b>Operating profit</b>		<u>145,942</u>	<u>327,316</u>
Interest receivable and similar income		7,443	17,729
Amounts written off investments		(89,717)	-
<b>Profit before taxation</b>		<u>63,668</u>	<u>345,045</u>
Taxation		(1,489)	(3,546)
<b>Profit for the financial year</b>		<u><u>62,179</u></u>	<u><u>341,499</u></u>



# PLOUGHSHARE INNOVATIONS LTD

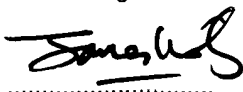
## BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	3		14,260		20,441
Investments	4		399,399		489,116
			<u>413,659</u>		<u>509,557</u>
<b>Current assets</b>					
Debtors	5	744,499		885,293	
Cash at bank and in hand		1,735,792		1,584,855	
		<u>2,480,291</u>		<u>2,470,148</u>	
<b>Creditors: amounts falling due within one year</b>	6	(825,795)		(789,848)	
<b>Net current assets</b>			<u>1,654,496</u>		<u>1,680,300</u>
<b>Total assets less current liabilities</b>			<u>2,068,155</u>		<u>2,189,857</u>
<b>Creditors: amounts falling due after more than one year</b>	7		(1,922,098)		(2,105,979)
<b>Net assets</b>			<u><u>146,057</u></u>		<u><u>83,878</u></u>
<b>Capital and reserves</b>					
Called up share capital	8	3,750,000		3,750,000	
Non distributable reserves		335,193		335,193	
Profit and loss reserves		(3,939,136)		(4,001,315)	
<b>Total equity</b>			<u><u>146,057</u></u>		<u><u>83,878</u></u>

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

The financial statements were approved by the board of directors and authorised for issue on 30<sup>th</sup> May 2017 and are signed on its behalf by:



J M Kirby  
Director

Company Registration No. 04401901

# **PLOUGHSHARE INNOVATIONS LTD**

## **STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017**

	Share capital	Non Profit and loss distributable reserves	Total
	£	£	£
<b>Balance at 1 April 2015</b>	3,750,000	2,216,592	(4,342,814) 1,623,778
<b>Year ended 31 March 2016:</b>			
Profit and total comprehensive income for the year	-	-	341,499 341,499
Other	-	(1,881,399)	- (1,881,399)
<b>Balance at 31 March 2016</b>	3,750,000	335,193	(4,001,315) 83,878
<b>Year ended 31 March 2017:</b>			
Profit and total comprehensive income for the year	-	-	62,179 62,179
<b>Balance at 31 March 2017</b>	3,750,000	335,193	(3,939,136) 146,057

# **PLOUGHSHARE INNOVATIONS LTD**

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

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### **1 Accounting policies**

#### **Company information**

Ploughshare Innovations Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Unit 2, Nine Mile Water, Nether Wallop, Near Stockbridge, Hampshire, SO20 8DR.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

#### **1.2 Going concern**

The financial statements have been prepared on a going concern basis, which the directors believe to be appropriate for the following reasons. The Company is involved in the development and exploitation of novel technologies and is in the early stages of its lifecycle. The appropriateness of the going concern basis of preparation is dependent on the Company receiving continued support and funding from Dstl. The directors have prepared projected cash flow information for the period to 31 March 2017 which includes committed financing from Dstl. Dstl confirms that it has no intention of demanding settlement of the current account balance due to itself, or any part thereof, prior to this date. In addition, Dstl has given an undertaking to continue to provide support via continuing the current account arrangement, thus ensuring Ploughshare Innovations Ltd remains a viable entity.

# **PLOUGHSHARE INNOVATIONS LTD**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017**

### **1 Accounting policies**

**(Continued)**

#### **1.3 Turnover**

Licence fees (up-front fees charged on the grant of a new licence) are governed by FRS102 and have been taken into turnover in the year the licence is signed.

Where a licence or patent is assigned to a third party, this is treated as a one-off sale and the benefit taken at the date of the transfer, as both the risks and rewards of the patent are passed to the licensee.

Where licence agreements incorporate termination clauses, turnover only recognises those amounts contractually due to the company. Expenditure will recognise the associated costs up to the date of termination.

When turnover from a licence agreement can be recognised in relation to costs and the costs are measurable, income will be matched against those costs and deferred.

Costs relating to these sales are included in cost of sales.

#### **1.4 Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and equipment	Straight line over 1-5 years
Fixtures and fittings	12.5% on reducing balance
Computer equipment	Straight line over 3 years

The capitalisation threshold is £1,000.

#### **1.5 Fixed asset investments**

Unlisted investments are treated under FRS 102 as available for sale financial assets and are therefore initially recorded at cost and revalued annually. All valuations are performed using an estimation technique based on the prices of the investee's most recent equity issues. No differences therefore arise between the fair value and carrying value of these investments.

Changes in the fair value of investments are recognised in the profit and loss account. Where the fair value of an investment falls below the base cost of the investment, an impairment is recognised in the operating costs of the profit and loss account.

#### **1.6 Cash and cash equivalents**

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

#### **1.7 Taxation**

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# PLOUGHSHARE INNOVATIONS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 1 Accounting policies

(Continued)

#### Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

#### 1.8 Retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss in the period to which they relate.

#### 1.9 Leases

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

#### 1.10 Foreign exchange

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

#### 1.11 Research and development

Research expenditure is written off against profits in the year in which it is incurred.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 17 (2016 - 17).

### 3 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 April 2016	68,595	1,368	32,723	102,686
Disposals	-	-	(5,905)	(5,905)
At 31 March 2017	68,595	1,368	26,818	96,781
<b>Depreciation and impairment</b>				
At 1 April 2016	68,595	1,158	12,493	82,246
Depreciation charged in the year	-	26	6,154	6,180
Eliminated in respect of disposals	-	-	(5,905)	(5,905)
At 31 March 2017	68,595	1,184	12,742	82,521
<b>Carrying amount</b>				
At 31 March 2017	-	184	14,076	14,260
At 31 March 2016	-	210	20,231	20,441

# PLOUGHSHARE INNOVATIONS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 4 Fixed asset investments

	2017 £	2016 £
Investments	399,399	489,116

The company's investments are valued at fair value, derived by comparing valuations from using valuation techniques such as price of recent investment rounds, discounted cash flows of each business and discounted cash flows from the underlying investments. Without the changes in fair values, the historical cost of investments would be £221,724 at 31 March 2017 (2016: £221,724).

In addition to the above, account has been taken of market intelligence available to the company to inform the valuations. These market-based adjustments, which have been subject to audit, have a significant effect on the change in investment valuations recognised in the profit and loss account. In 2016-2017 these adjustments ranged from a discount of 0% (2016: 0%) to a discount of 66.67% (2016: 100%) for companies where the degree of risk attached to future financing and operations is too great for a prudent valuation to be reliably determined.

### Movements in fixed asset investments

	Investments other than loans £
<b>Cost or valuation</b>	
At 1 April 2016	489,116
Valuation changes	(89,717)
At 31 March 2017	399,399
<b>Carrying amount</b>	
At 31 March 2017	399,399
At 31 March 2016	489,116

### 5 Debtors

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Trade debtors	330,629	340,839
Prepayments and accrued income	413,870	544,454
	744,499	885,293

# PLOUGHSHARE INNOVATIONS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 6 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	39,900	19,866
Corporation tax	1,489	3,546
Other taxation and social security	90,264	108,725
Other creditors	33,082	15,194
Accruals and deferred income	661,060	642,517
	<u>825,795</u>	<u>789,848</u>

### 7 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Other creditors	1,922,098	2,105,979

Other creditors due after more than one year is the balance outstanding for services provided by Dstl at arm's length rates for which credit terms of more than one year have been agreed.

### 8 Called up share capital

	2017 £	2016 £
Ordinary share capital Issued and fully paid 3,750,000 Ordinary of £1 each	<u>3,750,000</u>	<u>3,750,000</u>

### 9 Financial commitments, guarantees and contingent liabilities

The company had total guarantees and commitments at the balance sheet date of £54,681.

### 10 Parent company

The company's ultimate controlling party and 100% shareholder is the Secretary of State for Defence represented by Dstl, an Executive Agency for the UK MoD.

The consolidated financial statements for Dstl are available to the public and may be obtained from Porton Down, Salisbury, Wiltshire, SP4 0JQ.