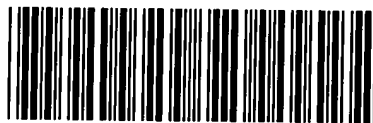


**Registered number: 06627346**

**Amplifier Technology Ltd**

**Annual report for the year ended 31 December 2016**

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## **STRATEGIC REPORT**

The directors present the strategic report of Amplifier Technology Ltd (the 'Company') for the year ended 31 December 2016.

### **Business review**

The Company is a wholly owned subsidiary of Vislink Group Holdings Limited. Pebble Beach Systems Group plc (formerly Vislink plc) owns 83.30% of Vislink Group Holdings Limited. Pebble Beach Systems Group plc is a leading software business specialising in solutions for playout, automation and content serving customers in the broadcast markets. The group has offices in the UK and USA and employs over 80 people worldwide. Pebble Beach Systems Group plc is listed on the AIM market of the London Stock Exchange.

The company did not trade during 2016. The trade transferred to Legacy Broadcast International Ltd, a subsidiary of Pebble Beach Systems Group plc, in 2015. The operating profit for the year includes impairments to inventory and intangibles.

### **Results**

Turnover for the year was £nil (2015: £943,000) and the profit on ordinary activities before taxation amounted to £37,000 (2015: loss £473,000). The operating profit included impairments which relate to intangibles and inventory.

The directors recommend that the profit for the financial year of £37,000 be transferred to reserves (2015: loss £612,000). The balance sheet at 31 December 2016 shows the Company held net assets of £44,000 (2015: £7,000).

### **Key performance indicators**

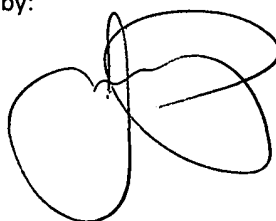
The directors of Pebble Beach Systems Group plc manage the Group's operations on a divisional basis. For this reason the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of Amplifier Technology Ltd. The development, performance and position of the UK broadcast business of Pebble Beach Systems Group plc, which includes the company, is discussed in the Group's annual report, which does not form part of this report.

### **Principal risks and uncertainties**

The directors of Pebble Beach Systems Group plc manage the Group's risks at a group level, rather than at an individual business unit level. For this reason, the Company's directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of Amplifier Technology Ltd's business. The principal risks and uncertainties of Pebble Beach Systems Group plc, which include those of the company, are discussed in the Group's annual report which does not form part of this report.

Approved by the board and signed on its behalf by:

**J Varney**  
Director  
20 June 2017



## **DIRECTORS' REPORT**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2016.

### **Principal activities**

The company did not trade in 2016 and is not expected to trade in the future.

### **Dividends**

No dividend was paid during the year (2015: £nil). The directors do not recommend a dividend payment be made in relation to the financial year ended 31 December 2016.

### **Financial risk management**

The company has in place a risk management programme, which is controlled centrally by the holding company, Pebble Beach Systems Group plc. The programme seeks to limit the adverse effects on financial performance of Pebble Beach Systems Group companies by monitoring and managing financial risk.

### **Future outlook**

Other than as described in the going concern accounting policy below, the directors do not envisage any significant change in the company's operations in the foreseeable future and they expect the company to become dormant.

### **Going concern**

The trade of Amplifier Technology Limited had previously transferred to Legacy Broadcast International Limited. During the current year the company ceased trading.

The Directors believe the company no longer remains a going concern and have therefore prepared the financial statements on a basis other than going concern.

### **Directors**

The directors of the company who were in office during the year and up to the date of signing of the financial statements were:

S Derry (appointed 5 April 2016 and resigned 4 January 2017)

J Walton (appointed 15 April 2016 and resigned 3 February 2017)

I Davies (resigned 15 April 2016)

J Hawkins (resigned 15 April 2016, re-appointed 4 January 2017 and resigned 08/05/2017)

N Johnson (resigned 15 April 2016)

O Ellingham (appointed 3 February 2017)

During the financial year the Company maintained an external insurance policy to provide liability cover to its directors and officers.

**DIRECTORS' REPORT (CONTINUED)**

**Charitable donations**

During the year the Company made charitable donations of £nil (2015: £nil). The Company did not make any political donations.

**DIRECTORS' REPORT (CONTINUED)**

**Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

The directors 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.

In the case of each director in office at the date the Directors' Report is approved:

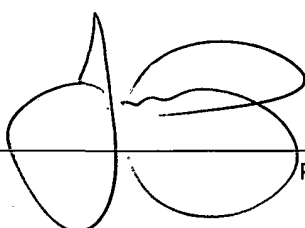
- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- they have taken all the steps they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors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

**Independent auditors**

The auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board

J Varney  
**Director**  
20 June 2017



***Independent auditors' report to the members of Amplifier Technology Ltd***

**Report on the financial statements**

---

**Our opinion**

In our opinion, Amplifier Technology Ltd's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.
- 

**Emphasis of matter – basis of preparation**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the basis of preparation. During the year the directors have decided that the company would cease trading. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 to the financial statements. No adjustments were required to the book values of the assets or liabilities shown within the financial statements.

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**What we have audited**

The financial statements, included within the Annual Report, comprise:

- the Statement of Financial Position as at 31 December 2016;
- the Income Statement for the year then ended;
- the Statement of Changes in Equity for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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**Opinion on other matter prescribed by the Companies Act 2006**

---

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
  - the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.
-

***Independent auditors' report to the members of Amplifier Technology Ltd (continued)***

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**Opinion on other matter prescribed by the Companies Act 2006 (continued)**

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In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

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**Other matters on which we are required to report by exception**

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**Adequacy of accounting records and information and explanations received**

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Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

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**Directors' remuneration**

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Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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**Responsibilities for the financial statements and the audit**

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**Our responsibilities and those of the directors**

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As explained more fully in the Statement of Directors' responsibilities set out on page 6, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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**What an audit of financial statements involves**

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We conducted our audit in accordance with ISAs (UK & Ireland). 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:

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***Independent auditors' report to the members of Amplifier Technology Ltd (continued)***

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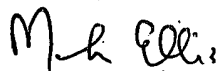
**What an audit of financial statements involves (continued)**

- 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Mark Ellis (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol  
20 June 2017

**INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

		<b>Year ended 31 Dec 2016 £'000</b>	<b>Year ended 31 Dec 2015 £'000</b>
	<b>Note</b>		
<b>Continuing activities</b>			
<b>Revenue</b>	<b>1</b>	<b>-</b>	<b>943</b>
Cost of sales		<b>(33)</b>	<b>(480)</b>
Gross (loss)/profit		<b>(33)</b>	<b>463</b>
Distribution costs		<b>-</b>	<b>(8)</b>
Administrative income/(expenses)		<b>97</b>	<b>(904)</b>
<b>Operating profit/(loss)</b>	<b>2</b>	<b>64</b>	<b>(449)</b>
Finance costs	<b>4</b>	<b>(27)</b>	<b>(24)</b>
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>37</b>	<b>(473)</b>
Tax on profit/(loss) on ordinary activities	<b>5</b>	<b>-</b>	<b>(139)</b>
<b>Profit/(loss) for the financial year</b>		<b>37</b>	<b>(612)</b>

The company has no other comprehensive income other than that included in the income statement and therefore no separate statement of other comprehensive income has been presented.

The accounting policies and notes on pages 14 to 25 form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016**

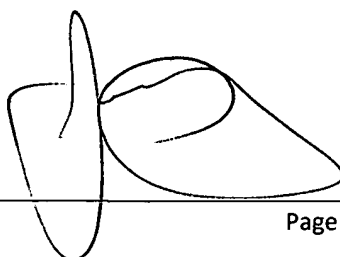
	Note	2016 £'000	2015 £'000
<b>Fixed assets</b>			
Intangible assets	6	-	220
Property, plant and equipment	7	-	65
		<u>-</u>	<u>285</u>
<b>Current assets</b>			
Inventory	8	-	69
Trade and other receivables	9	49	272
Cash and cash equivalents		6	19
		<u>55</u>	<u>360</u>
Creditors: amounts falling due within one year	10	(6)	(54)
<b>Net Current assets</b>		<u>49</u>	<u>306</u>
<b>Total assets less current liabilities</b>		<b>49</b>	<b>591</b>
Creditors: amounts falling due after more than one year	11	-	(568)
Provisions for liabilities and charges		(5)	(16)
<b>Net assets</b>		<u><b>44</b></u>	<u><b>7</b></u>
<b>Equity</b>			
Called up share capital	12	1	1
Retained earnings		<u>43</u>	<u>6</u>
<b>Total shareholders' funds</b>		<u><b>44</b></u>	<u><b>7</b></u>

The company's registered number: 06627346

The accounting policies and notes on pages 14 to 25 form part of these financial statements.

The financial statements on pages 11 to 25 were approved by the Board of directors on 20 June 2017 and signed on its behalf by:

J Varney  
**Director**  
 20 June 2017



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

	Called up share capital £'000	Retained earnings £'000	Total shareholders' funds £'000
At 1 January 2015	1	618	619
Loss for the financial year	-	(612)	(612)
At 31 December 2015	1	6	7
At 1 January 2016	1	6	7
Profit for the financial year	-	37	37
At 31 December 2016	1	43	44

## **ACCOUNTING POLICIES**

### **General information**

Amplifier Technology Ltd ('the company') is a company limited by shares. The principal business is a leading global technology specialist for high power amplifiers providing technical and product solutions and services.

The company did not trade in 2016.

The company is a wholly owned subsidiary of Vislink Group Holdings Limited. Pebble Beach Systems Group Plc owns 83.30% of Vislink Group Holdings Limited. The company is included in the consolidated financial statements of Pebble Beach Systems Group plc, which are publicly available. The Company is incorporated and domiciled in the UK. The address of its registered office is Chilton House, Charnham Lane, Hungerford, Berkshire, RG17 0EY.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### **Basis of preparation**

The financial statements of Amplifier Technology Ltd have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

### **Financial reporting standard 101 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

### **Going concern**

The trade of Amplifier Technology Limited had previously transferred to Legacy Broadcast International Limited. During the current year the company ceased trading.

## **ACCOUNTING POLICIES (CONTINUED)**

### **Going concern (continued)**

The board has concluded that the financial statements are to be prepared on a basis other than going concern. No adjustments have been made to the book values of the assets or liabilities disclosed within the financial statements.

### **Revenue**

Revenue represents net amounts receivable from customers for goods sold by the Company in the ordinary course of business and excludes value added tax. Sales are recognised when the significant rewards of ownership of the goods are transferred to the customer, the sales price agreed and the receipt of payment can be assured.

### **Property plant and equipment**

Property, plant and equipment is stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working conditions for its intended use. Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual values over their estimated useful lives on a straight line basis, at the following rates per annum:

Short leasehold improvements	Shorter of the economic life of the asset or the remaining period of the lease
Plant & Machinery	10%-33%

## **ACCOUNTING POLICIES (CONTINUED)**

### **Intangible assets**

Intangible assets include acquired intangibles which are written off over their useful economic life.

### **Leases**

All operating lease rentals are charged to the income statement on a straight-line basis.

### **Pension fund**

Contributions are made to money purchase pension schemes on behalf of employees and are written off to the income statement as they are incurred.

### **Research and development**

Research expenditure is written off as incurred.

Where development expenditure meets the criteria for capitalisation as set out in IAS 38 "Intangible assets" the costs are capitalised and amortised over the useful economic life of the related product from the date of commercial manufacture. The key eligibility criteria for capitalisation relate to:

- The identification of development costs. In general the Company's research and development activities are closely interrelated and it is not until the technical feasibility of a product can be determined with reasonable certainty that development costs are separately identifiable; and

## **ACCOUNTING POLICIES (CONTINUED)**

### **Intangible assets**

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- The identification of development costs. In general the Company's research and development activities are closely interrelated and it is not until the technical feasibility of a product can be determined with reasonable certainty that development costs are separately identifiable; and
- The generation of future economic benefit. Intangible assets are not recognised unless the resultant product is expected to generate future economic benefit in excess of the amount capitalised.

The period of amortisation is three years. If a product becomes unviable the deferred development costs are written off.

### **Inventory**

Inventories are stated at the lower of cost and net realisable value on a first in, first out (FIFO) method. Cost is based on normal levels of cost and activity and comprises cost of purchase and, where applicable, cost of conversion to current condition. Cost of purchase includes charges such as freight or duty where appropriate.

Net realisable value comprises the actual or estimated selling price (net of trade but before settlement discounts), less all further costs to completion, and less all costs to be incurred in marketing, selling and distribution.

### **Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date and other non-monetary assets at the exchange rates ruling at the dates of the transactions. Exchange differences are charged/credited to the income statement.

## **ACCOUNTING POLICIES (CONTINUED)**

### **Current and Deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### **Provisions**

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

### **Warranty provisions**

Provisions are made in respect of anticipated future warranty costs over the remaining future warranty period of products sold based on the historic level of expenditure.

### **Fixed asset investments**

Investments held as fixed assets are stated at cost less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

### **Trade and other receivables**

Trade and other receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.



## **ACCOUNTING POLICIES (CONTINUED)**

### **Financial liabilities**

The Company classifies all of its financial liabilities as liabilities at amortised cost.

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of financial position.

### **Creditors**

Creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

### **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

### **Judgements in applying accounting policies and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following are the key areas the Directors have identified:

- the directors assessed the fair values of the intercompany loan payable and have concluded that these are the same as the book value.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

**1. Revenue**

Revenue was derived entirely from the Company's principal activity, which was the sale of microwave and satellite video transmission products for the broadcast and surveillance markets.

The geographical analysis of revenue is:

	<b>Year ended 31 Dec 2016 £'000</b>	<b>Year ended 31 Dec 2015 £'000</b>
United Kingdom & Europe	-	936
Middle East & Africa	-	7
	<u>-</u>	<u>943</u>

**2. Operating profit/(loss)**

	<b>Year ended 31 Dec 2016 £'000</b>	<b>Year ended 31 Dec 2015 £'000</b>
Operating profit is stated after charging/(crediting):		
Staff costs (note 3)	-	66
Research and development expenditure	-	54
Inventory recognised as an expense	-	234
Depreciation of tangible fixed assets (note 7)	18	54
Amortisation of intangible assets (note 6)	130	132
Impairment of intangible assets (note 6)	90	-
Impairment of inventory (note 8)	100	-
Intercompany balances written off	<u>(410)</u>	<u>-</u>
Auditors' remuneration – fees payable to the company's auditors for the audit of the company's financial statements	<u>3</u>	<u>5</u>

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

**3. Employees and directors**

	<b>Year ended 31 Dec 2016 £'000</b>	<b>Year ended 31 Dec 2015 £'000</b>
Staff costs including directors:		
Wages and salaries	-	51
Social security costs	-	9
Other pension costs (note 16)	-	6
	<u>-</u>	<u>66</u>
The average monthly number of employees including directors comprised:	<b>Year ended 31 Dec 2016 Number</b>	<b>Year ended 31 Dec 2015 Number</b>
Office sales and management	-	-
Engineering, research and development	-	10
	<u>-</u>	<u>10</u>

**4. Finance costs**

	<b>Year ended 31 Dec 2016 £'000</b>	<b>Year ended 31 Dec 2015 £'000</b>
Other interest	-	2
Intercompany interest payments	27	22
	<u>27</u>	<u>24</u>

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

**5. Tax on (loss)/profit on ordinary activities**

The tax credit for the year comprises:

	Year ended 31 Dec 2016 £'000	Year ended 31 Dec 2015 £'000
<b>Current tax:</b>		
UK corporation tax on profits/(losses) for the financial year	(20)	(85)
Adjustment in respect of prior periods	20	23
Total current tax	-	(62)
<b>Deferred tax:</b>		
Origination and reversal of timing differences	-	177
Impact of changes in tax rates	-	24
Total deferred tax	-	201
Tax on profit/(loss) on ordinary activities	-	139

	Year ended 31 Dec 2016 £'000	Year ended 31 Dec 2015 £'000
<b>Profit/(loss) on ordinary activities before taxation</b>	<b>37</b>	<b>(473)</b>
Tax at UK corporation tax rate of 20.00% (2015: 20.25%)	7	(96)
Permanent differences	(82)	(23)
Effect of change in tax rate	-	24
Adjustment in respect of prior periods	20	23
Deferred tax not recognised	55	211
Total tax charge	-	139

Factors that may affect future tax charges

The tax rate for the current year is lower than the prior year due to changes in the UK corporation tax rate which is decreased from 21.00% to 20.00% from 1 April 2015.

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2015 on 26 October 2015. These included reductions to the main rate to reduce the rate to 19.00% from 1 April 2017 and to 18.00% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

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

**5. Tax on (loss)/profit on ordinary activities (continued)**

**Deferred tax**

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and law substantively enacted at the balance sheet date. The Company has deferred tax assets and liabilities, which have been recognised as follows:

	At 1 Jan 2016	(Charge)/ credit in the year 2016	At 31 Dec 2016
	£'000	£'000	£'000
<b>Assets:</b>			
Excess of depreciation over capital allowances	3	(3)	-
Unutilised tax losses	37	(37)	-
	<u>40</u>	<u>(40)</u>	<u>-</u>
<b>Liabilities:</b>			
Other timing differences	(40)	40	-
	<u>(40)</u>	<u>40</u>	<u>-</u>
<b>Net deferred tax assets</b>	<u>-</u>	<u>-</u>	<u>-</u>

**6. Intangible assets**

	Development costs £'000
<b>Cost:</b>	
At 1 January 2016	391
Additions	-
<b>At 31 December 2016</b>	<u><b>391</b></u>
<b>Accumulated Amortisation</b>	
At 1 January 2016	171
Amortisation for the year	130
Impairment for the year	90
<b>At 31 December 2016</b>	<u><b>391</b></u>
<b>Net book value:</b>	
<b>At 31 December 2016</b>	<u>-</u>
At 31 December 2015	<u>220</u>

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

**7. Property, plant and equipment**

	Plant & Machinery £'000
<b>Cost:</b>	
At 1 January 2016	126
Disposals	(126)
<b>At 31 December 2016</b>	<b>-</b>
<b>Accumulated Depreciation</b>	
At 1 January 2016	61
Charge for the year	18
Disposals	(79)
<b>At 31 December 2016</b>	<b>-</b>
<b>Net book value:</b>	
<b>At 31 December 2016</b>	<b>-</b>
At 31 December 2015	65

There were no tangible fixed assets acquired under finance leases or hire purchase contracts (2015: nil).

**8. Inventory**

	2016 £'000	2015 £'000
Raw materials	-	69
	-	69

Inventories are stated after provision for impairment of £100,000 (2015: £31,000).

**9. Trade and other receivables**

	2016 £'000	2015 £'000
Trade receivables	-	126
Amounts owed by other group undertakings	25	-
Corporation tax recoverable	20	137
Deferred tax asset (note 5)	-	-
Other tax and social security	4	6
Other receivables	-	3
	49	272

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

**9. Trade and other receivables (continued)**

Trade receivables of £nil (2015: £nil) fall due after more than one year.

Amounts owed by Group undertakings are unsecured, attract interest at a rate of 5.00%, have no fixed date of repayment and are repayable on demand.

Trade receivables are stated after provision for impairment of £18,000 (2015: £nil).

**10. Creditors: amounts falling due within one year**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	6	15
Amounts owed to group undertakings	-	25
Other tax and social security	-	6
Accruals and deferred income	-	8
	<u>6</u>	<u>54</u>

**11. Creditors: amounts falling due after more than one year**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed to group undertakings	<u>-</u>	<u>568</u>

Included in the amounts owed to group undertakings is nil (2015: nil) owed to Pebble Beach Systems Group plc, the ultimate parent company. Interest was charged on this amount at a rate of 2.75% p.a.

**12. Called up share capital**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
<b>Authorised:</b>		
1,000 (2015: 1,000) ordinary shares of £1 each	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>
	<b>£'000</b>	<b>£'000</b>
<b>Allotted and fully paid:</b>		
1,000 (2015: 1,000) ordinary shares of £1 each	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

All shares rank parri passu except that the directors may at any time resolve to declare a dividend of one or more classes of shares to the exclusion of all or any of the other classes.

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

**13. Contingent liabilities**

The Company has no contingent liabilities (2015: £nil).

**14. Financial commitments**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
The company has commitments during the next year in respect of non-cancellable operating leases where the commitment expires:		
<b>Land and buildings</b>		
Not later than one year	-	-
	-	-

The Company had £nil of capital commitments at 31 December 2016 (2015: £nil) that were not provided in the financial statements.

**15. Cash flow statement**

The Company is a wholly owned subsidiary of Vislink Group Holdings Limited. Pebble Beach Systems Group plc owns 83.30% of Vislink Group Holdings Limited. The company is included in the consolidated financial statements of Pebble Beach Systems Group plc, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under IAS 7.

**16. Pensions**

The Company operates a defined contribution pension scheme. The assets of the schemes are held independently of the Company in independently administered funds. The pension costs are written off to the income statement as they are incurred. The pension cost charged represents contributions payable by the Company and amounted to £nil (2015: £6,000). At 31 December 2016 there was £nil (2015: £nil) due to the scheme.

**17. Related party disclosures**

The Company has taken advantage of the exemption under IAS 24, 'Related Party Disclosures', on the grounds that it is a wholly owned subsidiary of the group headed by Pebble Beach Systems Group plc whose financial statements are publically available.

**18. Parent undertaking**

The ultimate parent undertaking and ultimate controlling party is Pebble Beach Systems Group plc, the only company to consolidate the results of the company. Copies of the financial statements of Pebble Beach Systems Group plc may be obtained from the Company Secretary, Pebble Beach Systems Group plc, Chilton House, Charnham Lane, Hungerford, Berkshire RG17 0EY.



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

**19. Subsequent events**

On 2 February 2017 the Group sold the assets of Vislink Communication Systems ("VCS"), the hardware division of the Company, to xG Technology Inc., ("xG Technology").