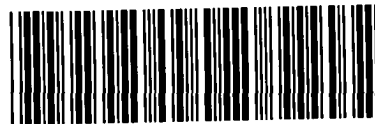


Registered number: 06627346

Amplifier Technology Ltd

Annual report for the year ended 31 December 2018

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STRATEGIC REPORT

The directors present the strategic report of Amplifier Technology Ltd (the 'Company') for the year ended 31 December 2018.

Business review

The Company is a wholly owned subsidiary of Legacy Broadcast Group Holdings Limited. Pebble Beach Systems Group plc 100% of Legacy Broadcast 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 2018 or the previous period.

Results

Turnover for the year was £nil (2017: £nil) and the profit on ordinary activities before taxation amounted to £nil (2017: £2,000).

The directors recommend that the profit for the financial year of £nil be transferred to reserves (2017: £22,000). The balance sheet at 31 December 2018 shows the Company held net assets of £66,000 (2017: £66,000).

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
3 April 2019

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the company for the year ended 31 December 2018.

Principal activities

The company did not trade in 2018 and is not expected to trade in the future.

Dividends

No dividend was paid during the year (2017: £nil). The directors do not recommend a dividend payment be made in relation to the financial year ended 31 December 2018.

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 directors are required to make an assessment of the company's ability to continue to trade as a going concern. The company has provided cross guarantees to Pebble Beach Systems Group Plc (the Group) and hence its ability to continue as a going concern needs to be assessed at the Group level.

At 31 December 2018 Group net debt was £9.4 million (2017: £10.2 million) comprising net cash of £1.3 million (2017 £1.3 million) and bank debt of £10.7 million (2017: £11.5 million).

The Group maintains a good relationship with its bank and on 27 March 2019 an extension of the current loan agreement was signed with it. The revision secures the facility until 30 November 2020 with banking covenants and a repayment schedule in place.

In order to assess the appropriateness of preparing the financial statements on a going concern basis, management have prepared detailed projections of expected Group cash flows. These projections include the continued impact of cost reductions implemented in 2017 and 2018, margin improvement strategies and sales growth in 2019.

As part of the review, the Board considered sensitivities with regards to the timing of revenue growth coming from the transition in the broadcast industry from SDI to IP platforms. It looked at sensitivities regarding the recovery of gross margin following the completion of the Harmonic OEM. Finally, it considered sensitivities regarding the cost reductions.

The Board have concluded that the Group will have sufficient resources to meet its liabilities for the foreseeable future and therefore the Group and hence the Company remains a going concern.

DIRECTORS' REPORT (CONTINUED)

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:

J Varney

P Mayhead (appointed 1 January 2018)

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

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.

On behalf of the Board



J Varney
Director
3 April 2019

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Year ended 31 Dec 2018 £'000	Year ended 31 Dec 2017 £'000
Administrative income		-	2
Operating profit		-	2
Profit on ordinary activities before taxation		-	2
Tax on profit on ordinary activities	2	-	20
Profit for the financial year		-	22

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 9 to 13 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	2018 £'000	2017 £'000
Current assets			
Trade and other receivables	3	<u>66</u>	<u>66</u>
		<u>66</u>	<u>66</u>
Total assets		<u>66</u>	<u>66</u>
Equity			
Called up share capital	4	<u>1</u>	<u>1</u>
Retained earnings		<u>65</u>	<u>65</u>
Total shareholders' funds		<u>66</u>	<u>66</u>

The company's registered number: 06627346

The Company did not trade during the current financial period.

For the year ending 31 December 2018 the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

Directors' responsibilities;

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

The accounting policies and notes on pages 9 to 13 form part of these financial statements.

The financial statements on pages 6 to 13 were approved by the Board of directors on 3 April 2019 and signed on its behalf by:



J Varney
Director
3 April 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital £'000	Retained earnings £'000	Total shareholders' funds £'000
At 1 January 2017	1	43	44
Profit for the financial year	-	22	22
At 31 December 2017	1	65	66
At 1 January 2018	1	65	66
Profit for the financial year	-	-	-
At 31 December 2018	1	65	66

ACCOUNTING POLICIES

General information

Amplifier Technology Ltd ('the company') is a company limited by shares.

The company did not trade in 2018.

The company is a wholly owned subsidiary of Legacy Broadcast Group Holdings Limited. Pebble Beach Systems Group Plc owns 100% of Legacy Broadcast 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 12, Horizon Business Village, 1 Brooklands Road, Weybridge, Surrey, KT13 0TJ.

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.

ACCOUNTING POLICIES (continued)

Going concern

The directors are required to make an assessment of the company's ability to continue to trade as a going concern. The company has provided cross guarantees to Pebble Beach Systems Group Plc (the Group) and hence its ability to continue as a going concern needs to be assessed at the Group level.

At 31 December 2018 Group net debt was £9.4 million (2017: £10.2 million) comprising net cash of £1.3 million (2017 £1.3 million) and bank debt of £10.7 million (2017: £11.5 million).

The Group maintains a good relationship with its bank and on 27 March 2019 an extension of the current loan agreement was signed with it. The revision secures the facility until 30 November 2020 with banking covenants and a repayment schedule in place.

In order to assess the appropriateness of preparing the financial statements on a going concern basis, management have prepared detailed projections of expected Group cash flows. These projections include the continued impact of cost reductions implemented in 2017 and 2018, margin improvement strategies and sales growth in 2019.

As part of the review, the Board considered sensitivities with regards to the timing of revenue growth coming from the transition in the broadcast industry from SDI to IP platforms. It looked at sensitivities regarding the recovery of gross margin following the completion of the Harmonic OEM. Finally, it considered sensitivities regarding the cost reductions.

The Board have concluded that the Group will have sufficient resources to meet its liabilities for the foreseeable future and therefore the Group and hence the Company remains a going concern.

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.

ACCOUNTING POLICIES (CONTINUED)

Current and Deferred taxation (continued)

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.

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.

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 2018

1. Employees and directors

The company has no employees other than the directors (2017: none).

None (2017: none) of the directors are remunerated for their services to the company. No recharge is made to the company for the directors' services.

2. Tax on (loss)/profit on ordinary activities

The tax credit for the year comprises:

	Year ended 31 Dec 2018 £'000	Year ended 31 Dec 2017 £'000
Current tax:		
UK corporation tax on profits/(losses) for the financial year	-	-
Adjustment in respect of prior periods	-	20
Total current tax	-	20
Tax on profit/(loss) on ordinary activities	-	20

	Year ended 31 Dec 2018 £'000	Year ended 31 Dec 2017 £'000
Profit on ordinary activities before taxation	-	2
Tax at UK corporation tax rate of 19.00% (2017: 19.25%)	-	-
Adjustment in respect of prior periods	-	20
Total tax charge	-	20

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 decreased from 20.00% to 19.00% from 1 April 2017.

Changes to the UK corporation tax rates were substantively enacted on 7 September 2016. These included reductions to the main rate to reduce the rate to 17.00% 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 2018 (CONTINUED)

3. Trade and other receivables

	2018 £'000	2017 £'000
Amounts owed by other group undertakings	66	66
	<u>66</u>	<u>66</u>

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

5. Called up share capital

	2018 £'000	2017 £'000
Authorised:		
1,000 (2017: 1,000) ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>
	£'000	£'000
Allotted and fully paid:		
1,000 (2017: 1,000) ordinary shares of £1 each	1	1
	<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.

6. Contingent liabilities

The company is party to cross guarantees given in respect of the bank borrowings of fellow group companies. Contingent liabilities in respect of these borrowings amounted to £10.6 million at 31 December 2018 (2017: £11.5 million).

7. Cash flow statement

The Company is a wholly owned subsidiary of Legacy Broadcast Group Holdings Limited. Pebble Beach Systems Group plc owns 100% of Legacy Broadcast 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.

8. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

9. 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, 12, Horizon Business Village, 1 Brooklands Road, Weybridge, Surrey, KT13 0TJ.