

REGISTRAR



Argon Electronics (UK) Limited

Annual Report and Unaudited Financial Statements

For the year ended 31 March 2017

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Company Registration No. 07170285 (England and Wales)

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Argon Electronics (UK) Limited

Company Information

| | |
|--------------------------|---|
| Directors | Mr S D Pike Mrs C A Pike |
| Company number | 07170285 |
| Registered office | 16 Ribcon Way Progress Business Park Luton Bedfordshire United Kingdom LU4 9UR |
| Accountants | Kingston Smith LLP 4 Victoria Square St Albans Hertfordshire AL1 3TF |

Argon Electronics (UK) Limited

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Argon Electronics (UK) Limited

Balance Sheet

As at 31 March 2017

| | Notes | 2017 £ | £ | 2016 £ | £ |
|---|-------|------------------|---|------------------|---|
| Fixed assets | | | | | |
| Intangible assets | 3 | 15,302 | | 24,823 | |
| Tangible assets | 4 | 10,075 | | 12,914 | |
| | | <u>25,377</u> | | <u>37,737</u> | |
| Current assets | | | | | |
| Stocks | | 411,335 | | 385,492 | |
| Debtors | 5 | 202,278 | | 145,301 | |
| Cash at bank and in hand | | 1,581,126 | | 1,460,865 | |
| | | <u>2,194,739</u> | | <u>1,991,658</u> | |
| Creditors: amounts falling due within one year | 6 | <u>(107,226)</u> | | <u>(34,828)</u> | |
| Net current assets | | 2,087,513 | | 1,956,830 | |
| Total assets less current liabilities | | <u>2,112,890</u> | | <u>1,994,567</u> | |
| Provisions for liabilities | 7 | 2,727 | | (13,677) | |
| Net assets | | <u>2,115,617</u> | | <u>1,980,890</u> | |
| Capital and reserves | | | | | |
| Called up share capital | 8 | 30,000 | | 30,000 | |
| Profit and loss reserves | | 2,085,617 | | 1,950,890 | |
| Total equity | | <u>2,115,617</u> | | <u>1,980,890</u> | |

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

Argon Electronics (UK) Limited

Balance Sheet (Continued)

As at 31 March 2017


For the financial year ended 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

These financial statements have been prepared and delivered 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 15/08/17 and are signed on its behalf by:



Mr S D Pike
Director

Company Registration No. 07170285

Argon Electronics (UK) Limited

Notes to the Financial Statements

For the year ended 31 March 2017

1 Accounting policies

Company information

Argon Electronics (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 16 Ribcon Way, Progress Business Park, Luton, Bedfordshire, United Kingdom, LU4 9UR.

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 Section 1A") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

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 on the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2017 are the first financial statements of Argon Electronics (UK) Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of Vat and trade discounts.

1.3 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|--------------------|-------------------|
| Patents & licences | 20% Straight Line |
| Development costs | 25% Straight Line |

Argon Electronics (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|-----------------------|-------------------|
| Fixtures and fittings | 25% Straight Line |
| Computers | 25% Straight Line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents 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.

Argon Electronics (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

1 Accounting policies

(Continued)

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Argon Electronics (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

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.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Argon Electronics (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

1 Accounting policies

(Continued)

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 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.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

| | 2017 Number | 2016 Number |
|-------|----------------|----------------|
| Total | 8 | 8 |

Argon Electronics (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

3 Intangible fixed assets

| | Goodwill £ | Other £ | Total £ |
|-----------------------------------|---------------|------------|------------|
| Cost | | | |
| At 1 April 2016 | 840,000 | 59,914 | 899,914 |
| Additions | - | 2,695 | 2,695 |
| At 31 March 2017 | 840,000 | 62,609 | 902,609 |
| Amortisation | | | |
| At 1 April 2016 | 840,000 | 35,091 | 875,091 |
| Amortisation charged for the year | - | 12,216 | 12,216 |
| At 31 March 2017 | 840,000 | 47,307 | 887,307 |
| Carrying amount | | | |
| At 31 March 2017 | - | 15,302 | 15,302 |
| At 31 March 2016 | - | 24,823 | 24,823 |

4 Tangible fixed assets

| | Plant and machinery etc £ |
|----------------------------------|------------------------------|
| Cost | |
| At 1 April 2016 | 97,812 |
| Additions | 1,256 |
| At 31 March 2017 | 99,068 |
| Depreciation | |
| At 1 April 2016 | 84,898 |
| Depreciation charged in the year | 4,095 |
| At 31 March 2017 | 88,993 |
| Carrying amount | |
| At 31 March 2017 | 10,075 |
| At 31 March 2016 | 12,914 |

Argon Electronics (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

5 Debtors

| | 2017 £ | 2016 £ |
|---|----------------|----------------|
| Amounts falling due within one year: | | |
| Trade debtors | 165,895 | 100,190 |
| Other debtors | 36,383 | 45,111 |
| | <u>202,278</u> | <u>145,301</u> |

6 Creditors: amounts falling due within one year

| | 2017 £ | 2016 £ |
|------------------------------------|----------------|---------------|
| Trade creditors | 75,441 | 26,455 |
| Corporation tax | 11,817 | - |
| Other taxation and social security | 14,048 | 7,860 |
| Other creditors | 5,920 | 513 |
| | <u>107,226</u> | <u>34,828</u> |

7 Provisions for liabilities

| | 2017 £ | 2016 £ |
|-----------------------------------|--------------|-----------------|
| Deferred tax assets/(liabilities) | 2,727 | (13,677) |
| | <u>2,727</u> | <u>(13,677)</u> |

8 Called up share capital

| | 2017 £ | 2016 £ |
|-----------------------------------|---------------|---------------|
| Ordinary share capital | | |
| Issued and fully paid | | |
| 30,000 Ordinary shares of £1 each | <u>30,000</u> | <u>30,000</u> |

9 Directors' transactions

Dividends totalling £86,980 (2016 - £113,900) were paid in the year in respect of shares held by the company's directors.