

Registered number: 07224399

PRYSM EUROPE, LTD
FINANCIAL STATEMENTS
31 DECEMBER 2017

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PRYSM EUROPE, LTD

CONTENTS

	Page
Company information	1
Balance sheet	2
Notes to the financial statements	3 - 10

PRYSM EUROPE, LTD
COMPANY INFORMATION

Director	A Jain
Company secretary	Taylor Wessing Secretaries Limited
Registered number	07224399
Registered office	Taylor Wessing LLP 5 New Street Square London EC4A 3TW
Auditor	Blick Rothenberg Audit LLP 16 Great Queen Street Covent Garden London WC2B 5AH

**BALANCE SHEET
AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	28,788	1,689
Current assets			
Debtors: amounts falling due within one year	5	283,198	244,811
Creditors: amounts falling due within one year	6	(65,020)	(50,656)
Net current assets		<u>218,178</u>	<u>194,155</u>
Total assets less current liabilities		<u>246,966</u>	<u>195,844</u>
Net assets		<u><u>246,966</u></u>	<u><u>195,844</u></u>
Capital and reserves			
Called up share capital	7	1,000	1,000
Profit and loss account		245,966	194,844
		<u><u>246,966</u></u>	<u><u>195,844</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006 and in accordance with Section 1A of Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies' regime. The profit and loss account and the directors' report have not been filed.

The financial statements were approved and authorised for issue and were signed by the sole director:



A Jain
Director

Date: *Sept 27, 2018*

The notes on pages 3 to 10 form part of these financial statements.

PRYSM EUROPE, LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. General information

Prysm Europe, Ltd is a private company limited by shares incorporated and registered in England and Wales. The address of its principal place of business is Octagon Point, St Pauls, London, EC2V 6AA.

The financial statements are presented in Sterling (£).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The company acts as sales and marketing support to its parent company and is therefore reliant upon its parent to continue to trade. The parent company has indicated that such support will be forthcoming for the foreseeable future, being a period of not less than twelve months from the date the financial statements were approved. However, the parent company has made losses since incorporation and is in the process of raising additional capital. Should its capital fundraising not be successful then this may cast doubt upon the parent's ability to support the company. The company itself is profit making and is in a net surplus position in regards to the reserves. Accordingly, the director continues to adopt the going concern basis in preparing the financial statements.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

PRYSM EUROPE, LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Fixtures & fittings	- 7 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.6 Financial instruments

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

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

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.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including other debtors and intercompany working capital balances are initially recognised at transaction price, 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

PRYSM EUROPE, LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

Financial liabilities

Basic financial liabilities, including other creditors 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

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

Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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 and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

PRYSM EUROPE, LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.7 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is Sterling (£).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses are presented in the profit and loss account within 'administrative expenses'.

2.8 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the profit and loss account over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit and loss account over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the profit and loss account is charged with fair value of goods and services received.

The company has elected to take the FRS 102 transition exemption is not recognising share options granted before 1 January 2016.

PRYSM EUROPE, LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.9 Operating leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.10 Share capital

Ordinary shares are classified as equity.

2.11 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.12 Current taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

3. Employees

The average monthly number of employees, including directors, during the year was 6 (2016 -6).

PRYSM EUROPE, LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

4. Tangible fixed assets

	Fixtures & fittings £
Cost	
At 1 January 2017	3,084
Additions	34,546
Disposals	(3,084)
At 31 December 2017	34,546
Depreciation	
At 1 January 2017	1,395
Charge for the year on owned assets	5,941
Disposals	(1,578)
At 31 December 2017	5,758
Net book value	
At 31 December 2017	28,788
At 31 December 2016	1,689

5. Debtors

	2017 £	2016 £
Amounts owed by group undertakings	167,797	138,784
Other debtors	78,018	70,673
Prepayments and accrued income	37,383	35,354
	<u>283,198</u>	<u>244,811</u>

PRYSM EUROPE, LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

6. Creditors: amounts falling due within one year

	2017 £	2016 £
Corporation tax	5,803	6,397
Other creditors	326	-
Accruals and deferred income	58,891	44,259
	<u>65,020</u>	<u>50,656</u>

7. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

8. Pension commitments

The company operates a defined contribution pension plan for its employees. The assets of the plan are held separately from the company in independently administered funds. The pension cost represents contributions payable to the fund and amounted to £875 (2016: £nil). Contributions totalling £326 (2016: £nil) were payable to the fund at the balance sheet date and are included in creditors.

9. Commitments under operating leases

At 31 December 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	<u>267,330</u>	<u>228,638</u>

10. Related party transactions

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transaction with entities which are wholly owned part of the same group.

11. Controlling party

The parent of the smallest and largest group of companies of which the company is a member is Prysm, Inc., a company incorporated in the United States of America the registered office of which is 180 Baytech Drive, San Jose, California, 95134. Consolidated financial statements are prepared but are not available to the public.

PRYSM EUROPE, LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

12. Auditor's information

The auditor's report on the company's full financial statements was unqualified. Those financial statements were audited by Blick Rothenberg Audit LLP and the auditor's report thereon was signed by Mark Hart FCA CTA (senior statutory auditor).

We draw attention to note 2.2 in the financial statements, which indicates that should the parent company not be successful in raising additional funds, then it may not be in a position to continue supporting the company. As stated in note 2.2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.