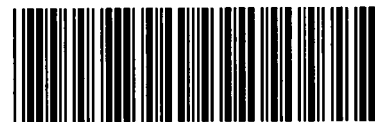


PCML Oxford Limited
Financial Statements
For the year ended
30 September 2017

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PCML Oxford Limited

Financial Statements

Year ended 30 September 2017

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PCML Oxford Limited

Officers and Professional Advisers

THE BOARD OF DIRECTORS

Mr L P Kiely
Mr M P Stavrinides
Mr R A Cruz
Mr G A Goates
Ms N Bishop

COMPANY SECRETARY

Taylor Wessing Secretaries Limited

REGISTERED OFFICE

5 New Street Square
London
EC4A 3TW

AUDITOR

Streets Audit LLP
Chartered accountant & statutory auditor
3 Wellbrook Court
Girton
Cambridge
CB3 0NA

BANKERS

Clydesdale Bank Plc
35 Regent Street
London
SW1Y 4ND

PCML Oxford Limited

Strategic Report

Year ended 30 September 2017

We aim to present a balanced and comprehensive review of the development and performance of our business during the period and its position at the period end. Our review is consistent with the size and non complex nature of our business and is written in the context of the risks and uncertainties we face.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

At the trading entity level, via other subsidiaries, the trading business has continued to develop following a further acquisition. Turnover has increased to £9.6 million.

The development of the business has been driven by an increase in the number of ProcureSmart agreements being entered into with existing customers, and the company's focussed strategy to drive down costs whilst improving product quality of multiple product lines and volumes through the implementation of PerformSmart can be attributed to the maintained profit margins.

KEY PERFORMANCE INDICATORS

Given the straight forward nature of the business, the company director's are of the opinion that analysis using KPIs is not necessary for the understanding of the development, performance or position of the company.

RISK MANAGEMENT OBJECTIVES AND POLICIES

The management of the business and the execution of the company's and group's strategy are subject to risk. The key business risks and uncertainties affecting the company are considered to relate to competition from other manufacturers in the industry and the further empowerment of the workforce.

The company and group have a distinct competitive advantage and are considered to be at least 3 years ahead of the competition given the manufacturing processes that are in place.

FINANCIAL INSTRUMENTS

The financial instruments used by the group arise wholly and directly from its trading activities, and comprise trade debtors, cash at bank, trade creditors, bank and group loans. The Group has put in place the following measures in order to manage financial risks arising from these:

- The group employs stringent credit control procedures and regularly reviews the level of ageing debtors to ensure that they do not exceed reasonable levels to support the on-going cash flow requirements of the business.
- All new customer accounts are subject to credit approval and acceptance of the group's terms and conditions.
- The group carefully monitors its cash position through regular reviews of its cashflow and ensuring that sufficient resources are available to service the on-going needs of the business.
- The group regularly reviews its trade balances and credit terms with its suppliers, ensuring that prompt payments are made but positive cash flow for the business is maintained.

FUTURE DEVELOPMENTS

The group will continue to ensure that its manufacturing processes remain efficient. In order to position ourselves ahead of competitors we will continue to manufacture high quality generic and bespoke products utilising our ProcureSmart MRP services, and provide a superior level of customer service. We anticipate strong demand for the services we offer given the advancements in manufacturing processes we are creating and the improving economic climate.

PCML Oxford Limited

Strategic Report *(continued)*

Year ended 30 September 2017

This report was approved by the board of directors on 13-6-18..... and signed on behalf of the board by:

Nadine Bishop.

Ms N Bishop
Director

PCML Oxford Limited

Directors' Report

Year ended 30 September 2017

The directors present their report and the financial statements of the company for the year ended 30 September 2017.

Directors

The directors who served the company during the year were as follows:

Mr L P Kiely

Mr M P Stavrinides

Mr R A Cruz

Mr G A Goates

Ms N Bishop

(Appointed 1 November 2016)

Dividends

The directors do not recommend the payment of a dividend.

Disclosure of information in the strategic report

Information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the Strategic Report.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

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

PCML Oxford Limited

Directors' Report *(continued)*

Year ended 30 September 2017

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

This report was approved by the board of directors on 13-6-18 and signed on behalf of the board by:



Ms N Bishop
Director

PCML Oxford Limited

Independent Auditor's Report to the Members of PCML Oxford Limited

Year ended 30 September 2017

Opinion

We have audited the financial statements of PCML Oxford Limited (the 'company') for the year ended 30 September 2017 which comprise the statement of income and retained earnings, statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

PCML Oxford Limited

Independent Auditor's Report to the Members of PCML Oxford Limited *(continued)*

Year ended 30 September 2017

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

PCML Oxford Limited

Independent Auditor's Report to the Members of PCML Oxford Limited *(continued)*

Year ended 30 September 2017

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

A R Blake

Alan Blake (Senior Statutory Auditor)

For and on behalf of
Streets Audit LLP
Chartered accountant & statutory auditor
3 Wellbrook Court
Girton
Cambridge
CB3 0NA

14 Jan 2018

PCML Oxford Limited

Statement of Income and Retained Earnings

Year ended 30 September 2017

	Note	2017 £	2016 £
Administrative expenses		(23,805)	(58,049)
Operating loss	4	(23,805)	(58,049)
Other interest receivable and similar income		591,269	537,056
Interest payable and similar expenses	5	(591,269)	(537,056)
Loss before taxation		(23,805)	(58,049)
Tax on loss	6	—	—
Loss for the financial year and total comprehensive income		(23,805)	(58,049)
Retained losses at the start of the year		(85,549)	(27,500)
Retained losses at the end of the year		(109,354)	(85,549)

All the activities of the company are from continuing operations.

The notes on pages 11 to 15 form part of these financial statements.

PCML Oxford Limited

Statement of Financial Position

30 September 2017

	Note	2017 £	2016 £
Current assets			
Debtors: due within one year	8	—	7,510
Debtors: due after more than one year	8	6,286,883	5,695,614
Cash at bank and in hand		35	45
		<u>6,286,918</u>	<u>5,703,169</u>
Creditors: amounts falling due within one year	9	<u>(109,389)</u>	<u>(93,104)</u>
Net current assets		<u>6,177,529</u>	<u>5,610,065</u>
Total assets less current liabilities		<u>6,177,529</u>	<u>5,610,065</u>
Creditors: amounts falling due after more than one year	10	<u>(6,286,883)</u>	<u>(5,695,614)</u>
Net liabilities		<u>109,354</u>	<u>85,549</u>
Capital and reserves			
Share capital	11	—	—
Profit and loss account	12	<u>(109,354)</u>	<u>(85,549)</u>
Shareholders deficit		<u>(109,354)</u>	<u>(85,549)</u>

These financial statements were approved by the board of directors and authorised for issue on 13-6-18, and are signed on behalf of the board by:

Nadine Bishop

Ms N Bishop
Director

Company registration number: 09476064

The notes on pages 11 to 15 form part of these financial statements.

PCML Oxford Limited

Notes to the Financial Statements

Year ended 30 September 2017

1. General information

PCML Oxford Limited is a private limited company by shares. The company is incorporated in England and Wales. The address of the registered office is 5 New Street Square, London EC4A 3TW and has its principal place of business at Fenland Business Centre, Longhill Road, March, Cambridgeshire, PE15 0BL.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared for the company on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the company.

Going concern

The company is reliant upon the ongoing support from the immediate parent company, PCML Holdings Limited.

The directors have also considered the cash flow requirements of the company for the next twelve months and believe the company will continue to generate neutral cash flows and as such the directors have prepared the financial statements on the going concern basis.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of PCML Holdings Limited which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 400 of the Companies Act 2006 on the basis that it is a subsidiary undertaking and its immediate parent undertaking is established under the law of an EEA State.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

PCML Oxford Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty *(continued)*

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Management have not identified any significant judgements that have a material effect on the amounts recognised in the financial statements.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Investments in subsidiaries

Investments in subsidiaries are initially recorded at cost and subsequently stated at cost less any accumulated impairment losses as there is no reliable fair value available.

4. Operating profit

Operating profit or loss is stated after charging:

	2017	2016
	£	£
Fees payable for the audit of the financial statements	<u>12,950</u>	<u>21,415</u>

5. Interest payable and similar expenses

	2017	2016
	£	£
Interest on debenture loans	<u>591,269</u>	<u>537,056</u>

PCML Oxford Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

6. Tax on loss

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 19% (2016: 20%).

	2017 £	2016 £
Loss on ordinary activities before taxation	<u>(23,805)</u>	<u>(58,049)</u>
Loss on ordinary activities by rate of tax	<u>(4,523)</u>	<u>(11,610)</u>
Group relief	<u>4,523</u>	<u>11,610</u>
Tax on loss	<u>—</u>	<u>—</u>

7. Investments

Investments in group undertakings are held at cost and amount to £0.01 (2016 £0.01).

Subsidiaries, associates and other investments

	Class of share	Percentage of shares held
Subsidiary undertakings		
PCML Cambridge Limited (owned by PCML Oxford Limited)	Ordinary	100
Precise Component Manufacture Limited (owned by PCML Cambridge Limited)	Ordinary	100
Teversham Precision Engineering Limited (owned by Precise Component Manufacture Limited)	Ordinary	100

PCML Oxford Limited

Notes to the Financial Statements (continued)

Year ended 30 September 2017

7. Investments (continued)

The results and capital and reserves for the year are as follows:

	Capital and reserves		Profit/(loss) for the year	
	2017	2016	2017	2016
	£	£	£	£
Subsidiary undertakings				
PCML Cambridge Limited (owned by PCML Oxford Limited)	437,541	1,228,216	(790,675)	1,577,868
Precise Component Manufacture Limited (owned by PCML Cambridge Limited)	5,466,408	3,774,389	1,692,019	1,594,800
Teversham Precision Engineering Limited (owned by Precise Component Manufacture Limited)	<u>278,084</u>	<u>—</u>	<u>(122,016)</u>	<u>—</u>

8. Debtors

Debtors falling due within one year are as follows:

	2017	2016
	£	£
Other debtors	<u>—</u>	<u>7,510</u>

Debtors falling due after one year are as follows:

	2017	2016
	£	£
Amounts owed by group undertakings	<u>6,286,883</u>	<u>5,695,614</u>

Interest is charged on the amounts owed to group undertakings at 10.00% per annum. Repayment of the principal amount is due in 2023.

9. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	—	3,001
Amounts owed to group undertakings	95,764	77,153
Accruals and deferred income	12,950	12,950
Social security and other taxes	675	—
	<u>109,389</u>	<u>93,104</u>

10. Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Debenture loans	<u>6,286,883</u>	<u>5,695,614</u>

Included within creditors: amounts falling due after more than one year is an amount of £6,286,883 (2016: £5,695,614) in respect of liabilities payable or repayable otherwise than by instalments which fall due for payment after more than five years from the reporting date.

PCML Oxford Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

11. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary shares of £0.01 each	<u>1</u>	<u>—</u>	<u>1</u>	<u>—</u>

12. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

13. Related party transactions

The directors consider there to be no ultimate controlling party.

The company is a 100% subsidiary and has taken advantage of the exemption conferred, under the Financial Reporting Standard number 102, on fellow group undertakings where consolidated financial statements are publicly available and has therefore not disclosed related party transactions with group companies.

In previous years, no monies were transferred between the group companies and Blauvelt Capital Master Fund Limited, the ultimate parent company. As at the 30 September 2017 PCML Oxford Limited owed £60,150 (2016: £60,150) to Blauvelt Capital Master Fund Limited.

14. Controlling party

The immediate parent undertaking is PCML Holdings Limited, a company registered in England and Wales.

The ultimate parent undertaking is Blauvelt Capital Master Fund Ltd, a limited company registered in the Cayman Islands.

The smallest group of companies for which group accounts have been drawn up is headed up by PCML Holdings Limited.

Copies of the group accounts can be obtained from Companies House.