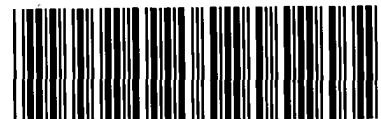


Registered number: 02058845

PERLE SYSTEMS EUROPE LIMITED

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 DECEMBER 2017

TUESDAY



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04/09/2018
COMPANIES HOUSE

PERLE SYSTEMS EUROPE LIMITED
REGISTERED NUMBER: 02058845

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	4	720,000	720,000
Current assets			
Stocks	5	1,461	3,727
Debtors	6	1,916,997	1,724,079
Cash at bank and in hand	7	222,023	43,425
		<u>2,140,481</u>	<u>1,771,231</u>
Creditors: amounts falling due within one year	8	(2,413,182)	(2,412,949)
Net current liabilities		<u>(272,701)</u>	<u>(641,718)</u>
Total assets less current liabilities		<u>447,299</u>	<u>78,282</u>
Creditors: amounts falling due after more than one year	9	(2,668,000)	(2,668,000)
Net liabilities		<u>(2,220,701)</u>	<u>(2,589,718)</u>
Capital and reserves			
Called up share capital	11	2	2
Profit and loss account	12	(2,220,703)	(2,589,720)
Total equity		<u>(2,220,701)</u>	<u>(2,589,718)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
D Barnett
 Director

Date: 12TH FEBRUARY 2018
 The notes on pages 2 to 8 form part of these financial statements.

PERLE SYSTEMS EUROPE LIMITED

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

1. General information

Perle Systems Europe Limited is a private company limited by shares incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the Company information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland, except where departure is necessary to ensure the financial statements show a true and fair view, and the Companies Act 2006. Where relevant details of departures from FRS 102 are specified within the accounting policies which follow.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies. The estimation of the deferred tax asset is the only matter of judgment that has a significant effect on the amounts recognised in the financial statements.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on the going concern basis as the parent undertaking has agreed to continue to provide financial support for the foreseeable future, being not less than twelve months from the date of signing of the balance sheet.

2.3 Consolidation

The Company and its subsidiary form a small group. The Company is therefore not required to produce consolidated financial statements and has not done so. These financial statements present information about the Company as a single entity.

2.4 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:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

PERLE SYSTEMS EUROPE LIMITED

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

2. Accounting policies (continued)

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.7 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.

2.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

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.

2.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.12 Dividends on preference shares

Under FRS 102 provision should be made in full for dividends payable on preference shares. The current accounting policy is for cumulative unpaid dividends on preference shares to only be recognised as liabilities when the Company has the prospect of having sufficient distributable reserves to facilitate their payment within the foreseeable future. Given the remoteness of this occurring it is considered that this is the most appropriate accounting policy. Full disclosure of the potential dividends payable is given in note 12 to these financial statements.

PERLE SYSTEMS EUROPE LIMITED

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

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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.

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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Employees

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

PERLE SYSTEMS EUROPE LIMITED

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

4. Fixed asset investments

	Shares in group undertakings and participating interests £
Cost or valuation	
At 1 January 2017	720,000
At 31 December 2017	<u>720,000</u>
Net book value	
At 31 December 2017	<u>720,000</u>
At 31 December 2016	<u>720,000</u>

5. Stocks

	2017 £	2016 £
Stocks	<u>1,461</u>	<u>3,727</u>

6. Debtors

	2017 £	2016 £
Trade debtors	380,999	278,816
Amounts owed by group undertakings	1,465,333	1,418,536
Other debtors	6,196	21,621
Prepayments and accrued income	4,469	5,106
Deferred taxation	60,000	-
	<u>1,916,997</u>	<u>1,724,079</u>

PERLE SYSTEMS EUROPE LIMITED

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

7. Cash at bank and in hand

	2017 £	2016 £
Cash at bank and in hand	<u>222,023</u>	<u>43,425</u>

8. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	14,152	31,215
Amounts owed to group undertakings	2,341,028	2,338,644
Other taxation and social security	13,609	9,510
Accruals and deferred income	44,393	33,580
	<u>2,413,182</u>	<u>2,412,949</u>

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

	2017 £	2016 £
Preference shares classified as a liability	<u>2,668,000</u>	<u>2,668,000</u>

10. Deferred taxation

	2017 £
Credited to profit and loss	60,000
At end of year	<u>60,000</u>

The deferred tax asset is made up as follows:

	2017 £
Tax losses carried forward	<u>60,000</u>

PERLE SYSTEMS EUROPE LIMITED

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

11. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>
	2017 £	2016 £
Shares classified as debt		
Allotted, called up and fully paid		
2,668,000 Preference shares of £1 each	<u>2,668,000</u>	<u>2,668,000</u>

The rights attached to the 5% Cumulative Redeemable Preference Shares of £1 each are as follows:

- Holders are entitled to receive any dividend payment in priority over any other class of shares;
- Holders are entitled to a repayment of capital in priority over any other class of shares on a winding up;
- Holders are entitled to one vote at a general meeting only if there is a proposed resolution for winding up the company or varying the voting rights of the preference shares;
- Shares can be redeemed at par in full or part at the option of the Company;
- Shares can be converted into ordinary shares at the option of the holders of the preference shares.

The cumulative preference dividend arrears of £2,191,000 (2016: £2,057,600) have not been provided for on the grounds that the company does not have sufficient distributable reserves and is not likely to for the foreseeable future.

12. Reserves

Profit & loss account

The balance in the profit and loss account represents the total distributable reserves of the Company. However, as there are no positive reserves no distribution is permissible.

13. 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	12,600	14,388
Later than 1 year and not later than 5 years	<u>12,600</u>	<u>-</u>

PERLE SYSTEMS EUROPE LIMITED

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

14. Related party transactions

At the year end the following balances were outstanding with other companies in the group:

	2017 £	2016 £
Perle Systems GmbH	1,375,884	1,320,501
Perle Systems Inc	89,448	98,036
Perle Systems Limited	(1,916,930)	(1,941,757)
Perle Systems S.A.R.L.	(424,098)	(396,887)
	<u> </u>	<u> </u>

Perle Systems Europe Limited is a wholly owned subsidiary of Perle Systems Limited and has taken advantage of the exemption from disclosing intra-group transactions as permitted by FRS 102 1AC.35.

The parent of the smallest group for which consolidated financial statements are prepared is the group headed by Perle Systems Limited (Incorporated in Canada).

Registered address:
60 Renfrew Drive
Markham
Ontario
L3R 0E1
Canada

15. Auditors' information

The Auditors' report was unqualified. The statutory auditor was WMT and the senior statutory auditor was Elizabeth Irvine.