

Company Registration No. 2383612 (England and Wales)

**PRP OPTOELECTRONICS LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**  
**PAGES FOR FILING WITH REGISTRAR**

# PRP OPTOELECTRONICS LIMITED

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# PRP OPTOELECTRONICS LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2017

		2017		2016	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	3		835,759		684,581
Tangible assets	4		304,068		393,201
			<u>1,139,827</u>		<u>1,077,782</u>
<b>Current assets</b>					
Stocks		751,343		784,204	
Debtors	5	379,423		459,490	
Cash at bank and in hand		63,409		223,548	
		<u>1,194,175</u>		<u>1,467,242</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(1,035,082)</u>		<u>(1,431,833)</u>	
<b>Net current assets</b>			<u>159,093</u>		<u>35,409</u>
<b>Total assets less current liabilities</b>			<u>1,298,920</u>		<u>1,113,191</u>
<b>Creditors: amounts falling due after more than one year</b>	7		-		(31,096)
<b>Net assets</b>			<u><u>1,298,920</u></u>		<u><u>1,082,095</u></u>
<b>Capital and reserves</b>					
Called up share capital	8		218,888		218,888
Share premium account			83,174		83,174
Capital redemption reserve			67,000		67,000
Profit and loss reserves			<u>929,858</u>		<u>713,033</u>
<b>Total equity</b>			<u><u>1,298,920</u></u>		<u><u>1,082,095</u></u>

## **PRP OPTOELECTRONICS LIMITED**

### **BALANCE SHEET (CONTINUED)**

***AS AT 31 DECEMBER 2017***

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

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

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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.

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 13 September 2018 and are signed on its behalf by:

Mr K R Peart  
**Director**

**Company Registration No. 2383612**

# **PRP OPTOELECTRONICS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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### **1 Accounting policies**

#### **Company information**

PRP Optoelectronics Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 2 Western Gate, Hillmead Enterprise Park, Langley Road, Swindon, Wiltshire, SN5 5WN.

#### **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") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from development orders is recognised when the significant risks and rewards of ownership of the development work have passed to the buyer (usually on inspection by the buyer on-site or acceptance of samples received), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **1.3 Research and development expenditure**

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.

#### **1.4 Intangible fixed assets other than goodwill**

Development Costs over the useful life of the project once production commences.

#### **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.

# PRP OPTOELECTRONICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 1 Accounting policies

(Continued)

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:

Leasehold improvements	straight line basis over 6 years
Plant and machinery	straight line basis over 2 to 10 years

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 period 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

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 at bank and in hand

Cash at bank and in hand are basic financial assets and 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.

#### 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 balance sheet 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 debtors 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. Financial assets classified as receivable within one year are not amortised.

# PRP OPTOELECTRONICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies

(Continued)

#### **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.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **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.

#### **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.

# PRP OPTOELECTRONICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 1 Accounting policies

(Continued)

#### 1.13 Retirement benefits

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

#### 1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the asset's fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### 1.15 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 34 (2016 - 30).

### 3 Intangible fixed assets

#### Development Costs £

##### Cost

At 1 January 2017	684,582
Additions	217,080
At 31 December 2017	901,662

##### Amortisation and impairment

At 1 January 2017	-
Impairment losses	65,903
At 31 December 2017	65,903

##### Carrying amount

At 31 December 2017	835,759
At 31 December 2016	684,581



# PRP OPTOELECTRONICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 3 Intangible fixed assets (Continued)

### 4 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Total £
<b>Cost</b>			
At 1 January 2017	133,641	1,409,072	1,542,713
Additions	3,908	4,731	8,639
Disposals	-	(492)	(492)
At 31 December 2017	137,549	1,413,311	1,550,860
<b>Depreciation and impairment</b>			
At 1 January 2017	49,322	1,100,189	1,149,511
Depreciation charged in the year	23,318	74,168	97,486
Eliminated in respect of disposals	-	(205)	(205)
At 31 December 2017	72,640	1,174,152	1,246,792
<b>Carrying amount</b>			
At 31 December 2017	64,909	239,159	304,068
At 31 December 2016	84,319	308,883	393,202

### 5 Debtors

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Trade debtors	292,701	389,163
Amounts owed by group undertakings	4,309	7,020
Other debtors	-	5,789
Prepayments and accrued income	82,413	57,518
	379,423	459,490

# PRP OPTOELECTRONICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 6 Creditors: amounts falling due within one year

	2017 £	2016 £
Obligations under finance leases	31,096	47,258
Payments received on account	396,431	852,294
Trade creditors	234,353	200,791
Other taxation and social security	61,844	40,023
Other creditors	180,228	141,756
Accruals and deferred income	131,130	149,711
	<u>1,035,082</u>	<u>1,431,833</u>

Payments received on account include factored debts of £59,743 (2016 £136,695) which are secured.

Other creditors include net obligations under finance leases and hire purchase contracts amounting to £31,096 (2016 £47,258) which are secured on the assets concerned.

Trade Creditors and accruals include £2,729 (2016 £5,652) which are secured by a bank floating charge which includes company credit cards.

### 7 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Obligations under finance leases	-	31,096
	<u>-</u>	<u>31,096</u>

Other creditors include net obligations under finance leases and hire purchase contracts amounting to £nil (2016 £31,096) which are secured on the assets concerned.

### 8 Called up share capital

	2017 £	2016 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
218,888 Ordinary of £1 each	218,888	218,888
	<u>218,888</u>	<u>218,888</u>

### 9 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, Total commitments amounted to:

	2017 £	2016 £
	249,709	341,571
	<u>249,709</u>	<u>341,571</u>

## **PRP OPTOELECTRONICS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2017***

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#### **10 Parent company**

The parent company is Hillmead Technology Limited. It is a private company limited by shares incorporated in England and Wales: Registered Number 09557787.

The registered office is Unit 2 Western Gate, Hillmead Enterprise Park, Langley Road, Swindon, Wiltshire. SN5 5WN

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.