

PRP Optoelectronics Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2022

PRP Optoelectronics Limited

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PRP Optoelectronics Limited
(Registration number: 02383612)
Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	<u>4</u>	1,055,265	1,254,062
Tangible assets	<u>5</u>	397,832	456,108
		<u>1,453,097</u>	<u>1,710,170</u>
Current assets			
Stocks	<u>6</u>	835,958	724,398
Debtors	<u>7</u>	781,517	638,828
Cash at bank and in hand		1,750,652	1,752,523
		3,368,127	3,115,749
Creditors: Amounts falling due within one year	<u>8</u>	(1,279,836)	(1,110,394)
Net current assets		<u>2,088,291</u>	<u>2,005,355</u>
Total assets less current liabilities		3,541,388	3,715,525
Creditors: Amounts falling due after more than one year	<u>8</u>	(149,112)	(648,096)
Net assets		<u>3,392,276</u>	<u>3,067,429</u>
Capital and reserves			
Called up share capital	<u>9</u>	218,888	218,888
Share premium reserve		83,174	83,174
Capital redemption reserve		67,000	67,000
Retained earnings		3,023,214	2,698,367
Shareholders' funds		<u>3,392,276</u>	<u>3,067,429</u>

PRP Optoelectronics Limited
(Registration number: 02383612)
Balance Sheet as at 31 December 2022

For the financial year ending 31 December 2022 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 accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime. As permitted by section 444 (5A) of the Companies Act 2006, the directors have not delivered to the registrar a copy of the Profit and Loss Account.

Approved and authorised by the Board on 26 April 2023 and signed on its behalf by:

.....

Mr A J McKerrow
Director

PRP Optoelectronics Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Unit 2 Western Gate
Hillmead Enterprise Park
Langley Road
Swindon
Wiltshire
SN5 5WN

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

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 £.

Revenue recognition

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.

Government grants

Government grants are accounted for as revenue based grants under the accrual model in the period in which they are receivable.

PRP Optoelectronics Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current tax payable and deferred tax.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted and substantively enacted by the reporting date in the countries there the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold improvements	straight line basis over the remaining term of the lease
Plant and machinery	straight line basis over 2 to 10 years

Development costs

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

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Internally generated development costs	over the useful life of the project once production commences.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

PRP Optoelectronics Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Stocks

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

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

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Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

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.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 34 (2021 - 34).

4 Intangible assets

	Internally generated development costs £	Total £
Cost or valuation		
At 1 January 2022	1,799,677	1,799,677
At 31 December 2022	1,799,677	1,799,677
Amortisation		
At 1 January 2022	545,615	545,615
Amortisation charge	198,797	198,797
At 31 December 2022	744,412	744,412
Carrying amount		
At 31 December 2022	1,055,265	1,055,265
At 31 December 2021	1,254,062	1,254,062

PRP Optoelectronics Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

5 Tangible assets

	Short leasehold property improvements £	Plant and machinery £	Total £
Cost or valuation			
At 1 January 2022	337,345	1,692,804	2,030,149
Additions	17,028	10,999	28,027
At 31 December 2022	354,373	1,703,803	2,058,176
Depreciation			
At 1 January 2022	178,341	1,395,700	1,574,041
Charge for the year	21,026	65,277	86,303
At 31 December 2022	199,367	1,460,977	1,660,344
Carrying amount			
At 31 December 2022	155,006	242,826	397,832
At 31 December 2021	159,004	297,104	456,108

6 Stocks

	2022 £	2021 £
Work in progress	114,254	79,533
Other inventories	721,704	644,865
	835,958	724,398

7 Debtors

	Note	2022 £	2021 £
Current			
Trade debtors		424,763	454,465
Amounts owed by related parties		1,103	603
Prepayments		355,651	136,400
Other debtors		-	47,360
		781,517	638,828

PRP Optoelectronics Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

8 Creditors

Creditors: amounts falling due within one year

	2022 £	2021 £
Due within one year		
Loans and borrowings	494,844	443,463
Trade creditors	281,550	216,735
Payments on account	213,569	187,361
Taxation and social security	34,148	21,354
Other creditors	55,138	53,762
Accrued expenses	200,587	187,719
	<u>1,279,836</u>	<u>1,110,394</u>

Loans and borrowings include hire purchase contracts of £21,699 (2021 - £33,857) and bank loans of £5,645 (2021 - £9,606) which are secured.

Hire purchase liabilities are secured on the assets concerned.

Bank borrowings are secured by H M Government.

Unsecured loans and borrowings of £467,500 (2021 - £400,000) are a Local Enterprise Partnership loan which is fully repayable by 31 January 2024. The loan is repayable by installments and interest is charged at a fixed rate of 3.5% for the duration of the loan.

PRP Optoelectronics Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

Creditors: amounts falling due after more than one year

	Note	2022 £	2021 £
Due after one year			
Loans and borrowings		149,112	648,096

Loans and borrowings include hire purchase contracts of £nil (2021 - £21,699) and bank loans of £26,612 (2021 - £36,397) which are secured.

Hire purchase liabilities are secured on the assets concerned.

Bank borrowings are secured by H M Government.

Unsecured loans and borrowings of £122,500 (2021 - £590,000) are a Local Enterprise Partnership loan which is fully repayable by 31 January 2024. The loan is repayable by installments and interest is charged at a fixed rate of 3.5% for the duration of the loan.

9 Share capital

Allotted, called up and fully paid shares

	2022 No.	£	2021 No.	£
Ordinary of £1 each	218,888	218,888	218,888	218,888

PRP Optoelectronics Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

10 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £1,167,837 (2021 - £1,401,837). These consist entirely of outstanding commitments for future minimum lease payments under non-cancellable operating leases.

	Premises £	Equipment and vehicles £	Total £
Payable within 1 Year	145,000	89,000	234,000
Payable 2-5 years	580,000	45,712	625,712
Payable after 5 years	308,125	-	308,125
At 31 December 2022	1,033,125	134,712	1,167,837
At 31 December 2021	1,178,125	223,712	1,401,837

11 Parent and ultimate parent undertaking

The company's immediate parent 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.