

UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019
FOR
PHOENIX PRODUCT DEVELOPMENT LIMITED

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for the year ended 31 December 2019

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PHOENIX PRODUCT DEVELOPMENT LIMITED

COMPANY INFORMATION
for the year ended 31 December 2019

DIRECTORS: Mr R S Smith
Mr S D Schroeder
Mr D M Hollander

SECRETARY: Mr A R Jones

REGISTERED OFFICE: Unit 1 West Point
11 Durham Road
Basildon
Essex
SS15 6PH

REGISTERED NUMBER: 03681995 (England and Wales)

ACCOUNTANTS: Raffingers LLP
Chartered Certified Accountants
19-20 Bourne Court
Southend Road
Woodford Green
Essex
IG8 8HD

ABRIDGED BALANCE SHEET
31 December 2019

	Notes	2019 £	2018 as restated £
FIXED ASSETS			
Intangible assets	4	179,982	209,073
Tangible assets	5	<u>60,684</u>	<u>48,163</u>
		240,666	257,236
CURRENT ASSETS			
Stocks		721,070	894,019
Debtors		814,469	193,337
Cash at bank and in hand		<u>529,548</u>	<u>398,376</u>
		2,065,087	1,485,732
CREDITORS			
Amounts falling due within one year		<u>863,906</u>	<u>1,277,108</u>
NET CURRENT ASSETS		1,201,181	208,624
TOTAL ASSETS LESS CURRENT LIABILITIES		1,441,847	465,860
CREDITORS			
Amounts falling due after more than one year		<u>5,446</u>	<u>-</u>
NET ASSETS		<u>1,436,401</u>	<u>465,860</u>
CAPITAL AND RESERVES			
Called up share capital		138,839	69,835
Share premium		12,641,886	10,123,241
Retained earnings		<u>(11,344,324)</u>	<u>(9,727,216)</u>
SHAREHOLDERS' FUNDS		<u>1,436,401</u>	<u>465,860</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2019 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

ABRIDGED BALANCE SHEET - continued
31 December 2019

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

All the members have consented to the preparation of an abridged Income Statement and an abridged Balance Sheet for the year ended 31 December 2019 in accordance with Section 444(2A) of the Companies Act 2006.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 7 July 2020 and were signed on its behalf by:

Mr R S Smith - Director

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

1. STATUTORY INFORMATION

Phoenix Product Development Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Following a successful rights issue that raised almost £2.6m at the beginning of 2019, as well as the issue of convertible loan notes of £500k at the end of the year, fundraising activities have continued into 2020 with the intent of raising approximately £3.2m, less fees, but including the convertible loan notes. This commenced with a second drawdown of the convertible loan notes of £250k in March. Notwithstanding the recent COVID-19 crisis having delayed sales in both the UK and South Africa, the team has taken rapid action to reduce costs while still maintaining contact with customers, who are expected to re-engage post-crisis, and the fundraising discussions continue positively with a number of new investors having already made commitments to the company, and a crowdfunding portion also having commenced. The directors have also been encouraged by small, new wins and repeat orders even during the COVID lockdown. In consequence, at the time of approving these financial statements, the directors have a reasonable expectation that the company has adequate resources, augmented by the further funding being raised, to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Sale of goods:

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.

Rendering of services:

Revenue from the installation of the Propelair system is recognised by reference to labour hours incurred.

Interest income:

Revenue is recognised as interest accrues using the effective interest method.

Intangible fixed assets and amortisation

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 20% on cost
Fixtures, fittings and computer equipment	- 33% on cost
Motor vehicles	- 20% on cost

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2019

2. ACCOUNTING POLICIES - continued

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Grant incomes

All grant incomes are recognised once the company has entitlement to the resources, it is certain that the resources will be received and the monetary value of the incoming grants can be measured with sufficient reliability.

Financial instruments

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or cancelled.

The company holds the following financial instruments, all of which meet the conditions to be classified as basic instruments:

- Cash, short term trade debtors and creditors

Such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of cash or other consideration expected to be paid or received, after taking account of any impairment adjustment.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 16 (2018 - 17) .

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2019

4. INTANGIBLE FIXED ASSETS

	Totals £
COST	
At 1 January 2019	337,995
Additions	923
At 31 December 2019	<u>338,918</u>
AMORTISATION	
At 1 January 2019	128,922
Amortisation for year	30,014
At 31 December 2019	<u>158,936</u>
NET BOOK VALUE	
At 31 December 2019	<u>179,982</u>
At 31 December 2018	<u>209,073</u>

5. TANGIBLE FIXED ASSETS

	Totals £
COST	
At 1 January 2019	189,617
Additions	51,447
At 31 December 2019	<u>241,064</u>
DEPRECIATION	
At 1 January 2019	141,454
Charge for year	38,926
At 31 December 2019	<u>180,380</u>
NET BOOK VALUE	
At 31 December 2019	<u>60,684</u>
At 31 December 2018	<u>48,163</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2019

5. **TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Totals £
COST	
Additions	<u>20,785</u>
At 31 December 2019	<u>20,785</u>
DEPRECIATION	
Charge for year	<u>2,242</u>
At 31 December 2019	<u>2,242</u>
NET BOOK VALUE	
At 31 December 2019	<u>18,543</u>

6. **SECURED DEBTS**

The following secured debts are included within creditors:

	2019 £	2018 as restated £
Hire purchase contracts	<u>25,315</u>	<u>-</u>

Hire purchase contracts are secured over the assets to which they relate.

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.