

**Farncombe Technology Limited**

**Farncombe Technology Limited**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2017**

**Company Number 05997790**

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**Farncombe Technology Limited**  
**Reports and Accounts**  
**Contents**

|                                         | <b>Page</b> |
|-----------------------------------------|-------------|
| Company Information                     | 1           |
| Directors Report                        | 2           |
| Statement of Directors Responsibilities | 3           |
| Independent Auditors Report             | 4-6         |
| Statement of Comprehensive Income       | 7           |
| Statement of Financial Position         | 8           |
| Statement of Changes in Equity          | 9           |
| Notes to the Financial Statements       | 10-17       |

# **Farncombe Technology Limited**

## **Company Information**

|                            |                                                                                                                                                |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Directors</b>           | D Ranaghan (resigned 16 August 2018)<br>P Woodward (resigned 11 May 2018)<br>J Myers (appointed 11 May 2018)<br>K Kuby (appointed 11 May 2018) |
| <b>Secretary</b>           | D Ranaghan (resigned 16 August 2018)<br>J Serafin (appointed 16 August 2018)                                                                   |
| <b>Company Number</b>      | 05997790 (England and Wales)                                                                                                                   |
| <b>Registered Office</b>   | Descartes House<br>8 Gate Street<br>London<br>WC2A 3HP                                                                                         |
| <b>Independent Auditor</b> | Alexander Dave<br>Chartered Accountants and Statutory Auditor<br>5 Braemore Court<br>Cockfosters Road<br>Cockfosters<br>Herts<br>EN4 0AE       |

# **Farncombe Technology Limited**

## **Director's Report for the year ended 31 December 2017**

The directors present their report and the financial statements for the year ending 31 December 2017.

### **Principal activity**

The Company's principal activity during the year continued to be based around TV broadcasting and broadband based internet digital TV where they provide wide array of technical, security, implementation and testing services.

### **Directors**

The directors who held office during the year were:

D Ranaghan (resigned 16 August 2018)  
P Woodward (resigned 11 May 2018)  
J Myers (appointed 11 May 2018)  
K Kuby (appointed 11 May 2018)

### **Disclosure of information to auditor**

The directors of the company who held office at the date of approval of this annual report confirm that:

- so far as they are aware, there is no relevant audit information, information needed by the Company's auditors in connection with preparing their report, of which the Company's auditors are unaware, and
- They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### **Independent Auditors**

The independent auditors, Alexander Dave, will be proposed for reappointment in accordance with s.485 of the Companies Act 2006 small companies note.

### **Small companies note**

In preparing this report the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 26 October 2018 and signed on its behalf.

Jack Myers  
Director



# **Farncombe Technology Limited**

## **Statement of directors' responsibilities**

The directors are responsible for preparing the Director's Report, and the Financial Statements in accordance with applicable laws 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 (Financial Reporting Standard 102 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 of the profit or loss of the company for that period.

In preparing the financial statements the directors are required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- 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.

# **Farncombe Technology Limited**

## **Independent auditor's report to the members of Farncombe Technology Limited**

We have audited the financial statements of Farncombe Technology Limited (the 'company') for the year ended 31 December 2017 which comprise of Income Statement, Statement of Financial Position, Statement of Changes in Equity, and related notes to the financial statements, 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit 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 the provisions available for small entities, in the circumstances set out in note to the financial statements 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.

### **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

# **Farncombe Technology Limited**

## **Independent auditor's report to the members of Farncombe Technology Limited**

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 3, 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

# **Farncombe Technology Limited**

## **Independent auditor's report to the members of Farncombe Technology Limited**

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**

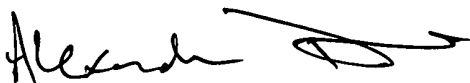
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 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.



Atul Dave (Senior Statutory Auditor)  
For and on behalf of Alexander Dave Chartered, Statutory Auditor  
5 Braemore Court  
Cockfosters Road  
Barnet  
Herts EN4 0AE



# Farncombe Technology Limited

## Statement of Comprehensive Income for the year ended 31 December 2017

|                                                      | Notes | 2017<br>£      | 2016<br>£        |
|------------------------------------------------------|-------|----------------|------------------|
| Turnover                                             | 2     | 688,694        | 2,401,898        |
| Cost of sales                                        |       | (141,215)      | (903,835)        |
| <b>Gross profit</b>                                  |       | <b>547,479</b> | <b>1,498,063</b> |
| Administrative expenses                              |       | (485,157)      | (1,061,141)      |
| <b>Operating Profit</b>                              | 3     | <b>62,322</b>  | <b>436,922</b>   |
| Interest received                                    | 4     | -              | 5                |
| <b>Profit on ordinary activities before taxation</b> |       | <b>62,322</b>  | <b>436,927</b>   |
| Tax on profit on ordinary activities                 | 6     | 417            | (9,394)          |
| <b>Profit for the financial year</b>                 |       | <b>62,739</b>  | <b>427,533</b>   |

All amounts arise from continuing operations.

The notes on pages 10 to 17 form part of these financial statements.

# Farncombe Technology Limited

## Statement of Financial Position as at year ended 31 December 2017

|                                                       | Notes | 2017<br>£          | 2016<br>£          |
|-------------------------------------------------------|-------|--------------------|--------------------|
| <b>Fixed assets</b>                                   |       |                    |                    |
| Financial Assets                                      | 8     | 200                | 200                |
| Property, plant and equipment                         | 7     | 806                | 4,843              |
|                                                       |       | <u>1,006</u>       | <u>5,043</u>       |
| <b>Current assets</b>                                 |       |                    |                    |
| Inventories and work in progress                      |       | 51,988             | 30,100             |
| Trade and other receivables                           | 9     | 4,369,195          | 2,349,834          |
| Cash at cash equivalents                              |       | 388                | 38,184             |
|                                                       |       | <u>4,421,571</u>   | <u>2,418,118</u>   |
| <b>Creditors: amounts falling due within one year</b> | 10    | <u>(3,267,019)</u> | <u>(1,330,342)</u> |
| <b>Net current assets</b>                             |       | <u>1,154,552</u>   | <u>1,087,776</u>   |
| <b>Total assets less current liabilities</b>          |       | <u>1,155,558</u>   | <u>1,092,819</u>   |
| <b>Net assets</b>                                     |       | <u>1,155,558</u>   | <u>1,092,819</u>   |
| <b>Capital and reserves</b>                           |       |                    |                    |
| Called up share capital                               | 12    | 31,917             | 31,917             |
| Profit and loss account                               | 13    | 1,123,641          | 1,060,902          |
| <b>Total equity</b>                                   |       | <u>1,155,558</u>   | <u>1,092,819</u>   |

The Company's financial statements have been delivered in accordance with the provisions applicable to the companies subject to the Small Companies Regime.

The financial statements on page 10 to 17 were approved by the Board on 26 October 2018 and signed on its behalf by:

Jack Myers  
Director



# Farncombe Technology Limited

## Statement of Changes in Equity for the year ended 31 December 2017

|                                                       | Share<br>capital<br>£ | Profit<br>and loss<br>account<br>£ | Total<br>£       |
|-------------------------------------------------------|-----------------------|------------------------------------|------------------|
| <b>At 1 January 2016</b>                              | 31,917                | 645,984                            | 677,901          |
| Profit for the financial year                         | -                     | 427,533                            | 427,533          |
| Contribution in the year related to the share options | -                     | (12,615)                           | (12,615)         |
| Total comprehensive income for the financial year     | -                     | 414,918                            | 414,918          |
| <b>At 31 December 2016</b>                            | <b>31,917</b>         | <b>1,060,902</b>                   | <b>1,092,819</b> |
| Profit for the financial year                         | -                     | 62,739                             | 62,739           |
| Contribution in the year related to the share options | -                     | (-)                                | (-)              |
| <b>At 31 December 2017</b>                            | <b>31,917</b>         | <b>1,123,641</b>                   | <b>1,155,558</b> |

# **Farncombe Technology Limited**

## **Notes to the Financial Statements for the year ended 31 December 2017**

### **1. Accounting policies**

#### **Basis of preparation of financial statements**

The financial statements are prepared under the historical cost convention and in accordance with Section 1a of FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

#### **Turnover**

Revenue represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

#### **Tangible fixed assets and depreciation**

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Furniture & Fittings over period of 5 year lease

At each balance sheet date, the company reviews the carrying amount of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indications exist, extent of the impairment loss, if any. Where it is not possible to estimate the recoverable of the asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

#### **Debtors**

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts.

Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

#### **Creditors**

Short term creditors are measured at transaction price (which is usually the invoice price).

Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

#### **Leases**

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases and charged to income on a straight line basis over the lease term.

# **Farncombe Technology Limited**

## **Notes to the Financial Statements for the year ended 31 December 2017**

### **Foreign currencies**

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of transaction. Exchange differences are charged to the Income Statement.

### **Taxation**

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments.

Unrelieved tax losses and other deferred tax assets are recognised only 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 and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used.

Current and deferred tax assets and liabilities are not discounted.

### **Provisions**

Provisions (i.e. liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

### **Pensions**

The Company operates a defined contribution pension scheme. The pension charge represents amounts payable by the Company to the fund in respect of the period.

### **Share-based payments**

The Company's 1998 Equity Incentive Plan, as amended and restated, is a stockholder approved plan, which provides for the granting of incentive stock options and nonqualified stock options to employees, and non-qualified stock options, non-vested stock, and restricted stock units to employees, directors and consultants. The 1998 Plan is scheduled to expire in June 2019.

The fair value of the employee services received in exchange for the grant of share options is measured at grant date and recognised as an expense on a straight line basis over the vesting period, based on the Company's estimate of shares that will eventually vest. Fair value is determined by reference to the Black Scholes Merton option pricing model.

When share options are exercised, the proceeds received, net of any transaction costs, are credited to share capital (nominal value) and share premium of the parent Company.

Transfer of equity instruments of the Company's parent have been accounted for in accordance with FRS 20 "Share-Based Payment" and recognised as an expense in the period with a corresponding contribution from the parent Company recognised in equity.

# Farncombe Technology Limited

## Notes to the Financial Statements for the year ended 31 December 2017

### 2. Analysis of turnover

The geographical analysis of turnover is as follows:

|        | 2017<br>£      | 2016<br>£        |
|--------|----------------|------------------|
| UK     | 305,601        | 1,946,272        |
| Europe | 383,093        | 239,645          |
| Other  | -              | 215,981          |
|        | <u>688,694</u> | <u>2,401,898</u> |

### 3. Operating profit

The operating profit is stated after charging:

|                                                            | 2017<br>£                   | 2016<br>£                   |
|------------------------------------------------------------|-----------------------------|-----------------------------|
| Depreciation of tangible fixed assets owned by the Company | 4,037                       | 841                         |
| Operating lease rentals                                    | -                           | 71,371                      |
| Amortisation of goodwill                                   | -                           | -                           |
| Pension costs                                              | -                           | 20,374                      |
| Auditor's remuneration for audit services                  | 8,000                       | 8,000                       |
| Auditor's remuneration for other services                  | -                           | -                           |
|                                                            | <u>                    </u> | <u>                    </u> |

### 4. Interest receivable

|                          | 2017<br>£                   | 2016<br>£                   |
|--------------------------|-----------------------------|-----------------------------|
| Bank interest receivable | -                           | 5                           |
|                          | <u>                    </u> | <u>                    </u> |
|                          | -                           | 5                           |
|                          | <u>                    </u> | <u>                    </u> |

## **Farncombe Technology Limited**

### **Notes to the Financial Statements for the year ended 31 December 2017**

#### **5. Staff costs**

Staff costs including directors' remuneration were as follows:

|                         | <b>2017</b>    | <b>2016</b>    |
|-------------------------|----------------|----------------|
|                         | <b>£</b>       | <b>£</b>       |
| Wages and salaries      | 156,942        | 558,511        |
| Employers payroll taxes | 20,160         | 84,997         |
| Other pension costs     | 302            | 20,374         |
| Share based payments    | -              | (12,615)       |
|                         | <u>177,404</u> | <u>651,267</u> |

The average monthly number of employees, including directors, during the year was as follows:

|                                               | <b>2017</b>   | <b>2016</b>   |
|-----------------------------------------------|---------------|---------------|
|                                               | <b>Number</b> | <b>Number</b> |
| Consultancy and software development services | 1             | 10            |
| Office and administration                     | 1             | -             |
|                                               | <u>2</u>      | <u>10</u>     |

# Farncombe Technology Limited

## Notes to the Financial Statements for the year ended 31 December 2017

### 6. Taxation

|                                                      | 2017<br>£    | 2016<br>£    |
|------------------------------------------------------|--------------|--------------|
| Current tax:                                         |              |              |
| United Kingdom corporation tax on profit of the year | -            | 15,382       |
| Overseas tax suffered                                | -            | -            |
| Adjustments in respect of previous periods           | (4,726)      | (7,275)      |
| Deferred tax:                                        |              |              |
| Origination and reversal of timing differences       | 4,309        | 1,287        |
| Tax on profit on ordinary activities                 | <u>(417)</u> | <u>9,394</u> |

The tax charge for the year is at the average standard rate of corporation tax in the UK, of 19.25% (2016: 20%). The differences are explained below:

|                                                                                     | 2017<br>£     | 2016<br>£      |
|-------------------------------------------------------------------------------------|---------------|----------------|
| Profit on ordinary activities before tax                                            | <u>62,322</u> | <u>436,927</u> |
| Profit on ordinary activities multiplied by the standard rate of UK corporation tax | 11,997        | 87,385         |
| Effects of:                                                                         |               |                |
| Capital allowances for period in excess of depreciation                             | 589           | 2,536          |
| Expenses not deductible for tax purposes                                            | 9             | 7              |
| Share based payments charge                                                         | (-)           | (2,523)        |
| Double tax relief – overseas tax                                                    | -             | -              |
| Group relief surrender of losses and other group adjustments                        | (12,595)      | (56,014)       |
| Other timing differences                                                            | (-)           | (16,009)       |
| Current corporation tax charge for the year                                         | <u>-</u>      | <u>15,382</u>  |



# Farncombe Technology Limited

## Notes to the Financial Statements for the year ended 31 December 2017

### 7. Tangible fixed assets

|                          | Fixtures &<br>Fittings<br>£ |
|--------------------------|-----------------------------|
| <b>Cost or valuation</b> |                             |
| At 1 January 2017        | 34,707                      |
| At 31 December 2017      | <u>34,707</u>               |
| <b>Depreciation</b>      |                             |
| At 1 January 2017        | 29,864                      |
| Charge for the year      | 4,037                       |
| At 31 December 2017      | <u>33,901</u>               |
| <b>Net book values</b>   |                             |
| At 31 December 2017      | 806                         |
| At 31 December 2016      | <u>4,843</u>                |

### 8. Financial Assets

|                     | Investments in<br>subsidiary<br>undertakings<br>£ |
|---------------------|---------------------------------------------------|
| <b>Cost</b>         |                                                   |
| At 1 January 2017   | 200                                               |
| At 31 December 2017 | <u>200</u>                                        |

The company holds 100% of the share capital of the following company:

| Company                                  | Shares held<br>Class | %   | Capital and<br>reserves<br>£ | Profit (loss)<br>for the year<br>£ |
|------------------------------------------|----------------------|-----|------------------------------|------------------------------------|
| Farncombe<br>Engineering<br>Services Ltd | Ordinary             | 100 | <u>952,200</u>               | <u>(108,021)</u>                   |

# Farncombe Technology Limited

## Notes to the Financial Statements for the year ended 31 December 2017

### 9. Debtors

|                                    | 2017<br>£        | 2016<br>£        |
|------------------------------------|------------------|------------------|
| Trade debtors                      | 97,068           | 276,703          |
| Amounts owed by group undertakings | 4,149,215        | 1,921,027        |
| Other debtors                      | 6,078            | 23,002           |
| Corporation tax                    | 98,752           | 76,937           |
| Prepayments and accrued income     | 18,082           | 52,165           |
|                                    | <u>4,369,195</u> | <u>2,349,834</u> |

The amount owed by group undertakings is interest free and repayable on demand with no fixed repayment date.

### 10. Creditors: amounts falling due within one year

|                                    | 2017<br>£        | 2016<br>£        |
|------------------------------------|------------------|------------------|
| Trade creditors                    | 17,908           | 27,156           |
| Other creditors                    | 10,000           | -                |
| Amounts owed to group undertakings | 3,171,519        | 1,137,932        |
| Other taxes and social security    | (355)            | 52,180           |
| Corporation Tax                    | 439              | 15,382           |
| Accruals and deferred income       | 67,508           | 97,692           |
|                                    | <u>3,267,019</u> | <u>1,330,342</u> |

The amount owed to group undertakings is interest free and repayable on demand with no fixed repayment date.

### 11. Operating lease commitments

At 31 December 2017 the Company had annual commitments under non-cancellable operating leases as follows:

|                            | Land and buildings |               |
|----------------------------|--------------------|---------------|
|                            | 2017<br>£          | 2016<br>£     |
| Amounts payable:           |                    |               |
| Less than one year         | -                  | 28,600        |
| Between one and five years | -                  | -             |
|                            | <u>-</u>           | <u>28,600</u> |

# Farncombe Technology Limited

## Notes to the Financial Statements for the year ended 31 December 2017

### 12. Share capital

|                                                              | Nominal<br>value | 2017<br>Number | 2017<br>£ | 2016<br>£ |
|--------------------------------------------------------------|------------------|----------------|-----------|-----------|
| Allotted, called<br>up and fully<br>paid: Ordinary<br>shares |                  |                |           |           |
|                                                              | £1.00 each       | 31,917         | 31,917    | 31,917    |

### 13. Profit and loss account

|                               | 2017<br>£ | 2016<br>£ |
|-------------------------------|-----------|-----------|
| At 1 January                  | 1,060,902 | 645,984   |
| Profit for the financial year | 62,739    | 427,533   |
| Share based payments          | -         | (12,615)  |
| At 31 December                | 1,123,641 | 1,060,902 |

### 14. Ultimate parent undertaking

Cartesian, Inc. is the Company's immediate and ultimate parent undertaking. The financial statements of Cartesian Inc may be obtained from 6405 Metcalf Avenue, Suite 417, Overland Park, Kansas 66202.