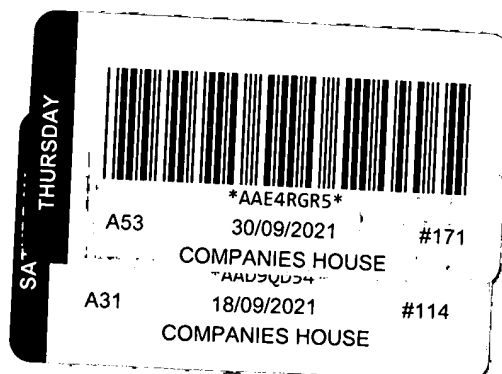


Company Registration No. 02877794 (England and Wales)

NICE NETWORK LTD

**UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 DECEMBER 2020**

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Company Registration No. 02877794

NICE NETWORK LTD**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2020**

		2020		2020 as restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	5		20,312		25,625
Tangible assets	6		39,986		444,131
			<u>60,298</u>		<u>469,756</u>
Current assets					
Stocks		24,157		31,618	
Debtors	7	1,641,736		1,548,101	
Investments	8	-		131,135	
Cash at bank and in hand		1,307,181		819,753	
		<u>2,973,074</u>		<u>2,530,607</u>	
Creditors: amounts falling due within one year	9	<u>(1,958,404)</u>		<u>(1,733,371)</u>	
Net current assets			<u>1,014,670</u>		<u>797,236</u>
Total assets less current liabilities			<u>1,074,968</u>		<u>1,266,992</u>
Creditors: amounts falling due after more than one year	10		(334,466)		(518,639)
Provisions for liabilities	11		(5,211)		(7,344)
Net assets			<u><u>735,291</u></u>		<u><u>741,009</u></u>
Capital and reserves					
Called up share capital			1,000		1,000
Profit and loss reserves			734,291		740,009
Total equity			<u><u>735,291</u></u>		<u><u>741,009</u></u>

Company Registration No. 02877794

NICE NETWORK LTD

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2020

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial period ended 31 December 2020 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

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.

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 9/9/2021 | 09:41:42 BST and are signed on its behalf by:

DocuSigned by:

Adam Fowler

.....A89DD55FA1384F6.....

A Fowler

Director

NICE NETWORK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Nice Network Ltd is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Onecom House, 4400 Parkway, Solent Business Park, Whiteley, Hampshire, PO15 7FJ.

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.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Company has adequate resources 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. The directors have taken measures to counter the potential impact of COVID-19 on the operations of the group and the resultant impact on its financial position. Whilst the risks cannot be completely mitigated and therefore some level of future uncertainty remains, the directors have reviewed detailed forecasts and consider the company is able to continue meeting its liabilities as they fall due in the foreseeable future which is considered to be a period of 12 months from the date of approving the financial statements. In particular the directors have considered the forecast level of cash held by the group and consider that a sufficient level of cash shall be held for the company to meet its liabilities. Management has applied reasonable downside scenarios to stress test the financial forecasts and with these scenarios included still consider that management hold a sufficient level of cash for the group to continue to trade and meets its liabilities for a period of 12 months from signing the financial statements.

Reporting period

These financial statements are for a 9 month period of account to align the reporting date to that of the new parent company. Comparative amounts presented in the financial statements and related notes are therefore not entirely comparable.

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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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.

NICE NETWORK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Revenue received up front in respect of incentives is recognised on a straight line basis over the life of the contract.

Tech fund balances

In accordance with company policy, the client entitlement to all credits, credit balances and/or kit funds or other entitlements will automatically cease and be recognised as company income under any of the following conditions; the agreement expiring, termination of the agreement signed through the company but not fulfilled through the company, the client terminating their relationship with the company or leaving the designated network before completion of the agreed term.

Intangible fixed assets - goodwill

Goodwill, being the amount paid in connection with the acquisition of a business, is being amortised evenly over its estimated useful life of 20 years.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost less amortisation and impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Software	10 years
----------	----------

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.

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:

Freehold land and buildings	1% straight line
Improvements to property	10% reducing balance
Fixtures and fittings	20% reducing balance
Motor vehicles	25% reducing balance

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.

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.

NICE NETWORK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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 cost and replacement 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.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised 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 trade and other 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

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 trade and other creditors, 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.

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

NICE NETWORK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

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.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

NICE NETWORK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Government grants

Income from government grants is presented within other operating income.

Government grants are recognised at fair value of the asset received or receivable when there is reasonable assurance that the grants will be received.

2 Prior period adjustment

(A) Change in revenue recognition for lease incentives

Following the acquisition of the company by Onecom Group Limited, the directors have reviewed the accounting policies in order to align them with that of the wider group. A change in accounting policy was identified with regards to the recognition of revenue from lease incentives, not only to align with the wider group, but to also correct a material error with previous accounting treatment as it was not considered in line with UK GAAP. A material adjustment is therefore required to align the accounting treatment with the revised and corrected policy.

In the accounts filed for the year ended 31 March 2020, revenue is recognised at the point of sale. Following the change in accounting policy for revenue recognition on lease incentives, revenue on contracts are now spread over the life of the contract.

(B) Recognition of the Tech Fund provision

Additionally, following the acquisition the directors determined that the tech fund had not previously been recognised in full in line with UK GAAP, resulting in a material error to the financial statements presented at 31 March 2020. Previously, the cost of providing tech funds to customers has been expensed in the period the cost was incurred. An adjustment has been made to amortise the costs of tech funds over the life of the contracts they relate to. Amounts in respect of tech funds that remain undrawn by customers at the year end are shown within creditors.

(C) Taxation

As a result of the above amendments, tax has been adjusted to reflect any changes required to ensure accounting treatments were in line with UK GAAP.

The overall impact, prior to 1 April 2019 is £2,941 which has been reflected through a change in the opening reserves position of the comparative period from £830,590 to £827,649. As at 1 April 2019 prepayments were increased by £562,762 and deferred income increased by £565,703.

Cumulative impact on the statement of financial position at 31 March 2020

		Adjustment £
Current assets		
Debtors due within one year	(B)	511,881
Creditors due within one year		
Taxation	(C)	95,624
Deferred income	(A)	(496,528)
Creditors due after one year		
Deferred income	(A)	(518,639)
Net assets		(407,662)
		<u> </u>
Capital and reserves		
Profit and loss		(407,662)
		<u> </u>

NICE NETWORK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

2 Prior period adjustment (Continued)

Changes to the income statement

Year ended 31 March 2020		Adjustment £
Turnover	(A)	(449,463)
Cost of sales	(B)	(50,882)
Taxation	(C)	95,624
Profit/(loss) for the financial year		<u>(404,721)</u>

3 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	2020 Number	2020 Number
Total	<u>25</u>	<u>23</u>

4 Directors' remuneration

	2020 £	2020 £
Remuneration paid to directors	<u>46,667</u>	<u>118,500</u>

5 Intangible fixed assets

	Goodwill £	Software £	Total £
Cost			
At 1 April 2020	75,000	5,000	80,000
Disposals	-	(5,000)	(5,000)
At 31 December 2020	<u>75,000</u>	<u>-</u>	<u>75,000</u>
Amortisation and impairment			
At 1 April 2020	51,875	2,500	54,375
Amortisation charged for the period	2,813	292	3,105
Disposals	-	(2,792)	(2,792)
At 31 December 2020	<u>54,688</u>	<u>-</u>	<u>54,688</u>
Carrying amount			
At 31 December 2020	<u>20,312</u>	<u>-</u>	<u>20,312</u>
At 31 March 2020	<u>23,125</u>	<u>2,500</u>	<u>25,625</u>

NICE NETWORK LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE PERIOD ENDED 31 DECEMBER 2020**6 Tangible fixed assets**

	Freehold land and buildings £	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 April 2020	424,000	25,246	70,147	62,714	582,107
Additions	-	-	3,185	-	3,185
Disposals	(424,000)	-	(2,812)	(34,240)	(461,052)
At 31 December 2020	-	25,246	70,520	28,474	124,240
Depreciation and impairment					
At 1 April 2020	33,557	21,107	32,637	50,675	137,976
Depreciation charged in the period	2,473	311	5,832	1,926	10,542
Eliminated in respect of disposals	(36,030)	-	(792)	(27,442)	(64,264)
At 31 December 2020	-	21,418	37,677	25,159	84,254
Carrying amount					
At 31 December 2020	-	3,828	32,843	3,315	39,986
At 31 March 2020	390,443	4,139	37,510	12,039	444,131

7 Debtors

	2020 £	2020 as restated £
Amounts falling due within one year:		
Trade debtors	218,968	358,366
Corporation tax recoverable	56,037	-
Other debtors	984,247	583,792
Prepayments and accrued income	235,499	379,027
	<u>1,494,751</u>	<u>1,321,185</u>
Amounts falling due after more than one year:		
Corporation tax recoverable	-	19,615
Prepayments and accrued income	146,985	207,301
	<u>146,985</u>	<u>226,916</u>
Total debtors	<u>1,641,736</u>	<u>1,548,101</u>

NICE NETWORK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

8 Current asset investments

	2020 £	2020 £
Other investments	-	131,135

Current asset investments related to money invested into PruFund. The investment units could increase or decrease in value and this change in value was reflected at the balance sheet date. No investments were held at the period end.

9 Creditors: amounts falling due within one year

	2020 £	2020 as restated £
Trade creditors	261,441	259,659
Corporation tax	-	4,077
Other taxation and social security	119,730	31,803
Deferred income	448,412	496,528
Other creditors	1,085,709	616,323
Accruals	43,112	324,981
	<u>1,958,404</u>	<u>1,733,371</u>

10 Creditors: amounts falling due after more than one year

	Notes	2020 £	2020 £
Deferred income		<u>334,466</u>	<u>518,639</u>

11 Provisions for liabilities

	2020 £	2020 £
Deferred tax liabilities	<u>5,211</u>	<u>7,344</u>

NICE NETWORK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

12 Directors' transactions

The following advances and credits to a former director subsisted during the period:

	December 2020 £	March 2020 £
Outstanding at the start of the year	163,737	82,816
Amounts advanced	-	130,669
Amounts repaid	(163,737)	(49,748)
Outstanding at the end of the year	-	163,737

The director resigned during the period.

13 Parent company

The immediate parent company is Onecom Group Limited, a company registered in England and Wales.

The smallest and largest group in which the company's accounts are consolidated is Solo Topco Limited, a company registered in England and Wales.

Solo Topco Limited prepares group financial statements and copies can be obtained from its registered office; Onecom House 4400 Parkway, Whiteley, Fareham, Hampshire, England, PO15 7FJ.