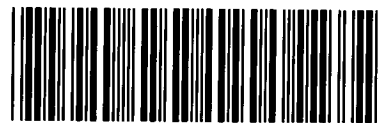


CALLITECH LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016

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COMPANIES HOUSE

CALLITECH LIMITED

COMPANY INFORMATION

Directors	Mr E J B Reeves Mrs R M E Clacher
Secretary	Mr E J B Reeves
Company number	3894972
Registered office	Western Gateway Wrexham LL13 7ZB
Auditors	RSM UK Audit LLP Chartered Accountants One City Place Chester CH1 3BQ
Bankers	The Royal Bank of Scotland plc 15 Forgate Street Chester CH1 1HD

CALLITECH LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present the strategic report and financial statements for the year ended 31 December 2016.

Strategic review and future prospects

The directors are satisfied with the performance and continued growth of the business during the year and plan to improve performance during the coming year.

The continued improvement is supported by the level of customer service provided by retaining experienced staff and the continued investment in staff training.

In addition, the retention of profits allows the company to take advantage of the latest technology to create new opportunities and deliver operational efficiencies to the business.

The business continues to deliver sustained revenue growth of 22%. This growth was driven by the introduction of new digital products and increasing penetration of our core sectors.

During the year the business relocated to a purpose built, 96,000 Sq Ft property which will support the growth of the business over the next 10 years, which reflects the increase in administrative expenses.

The reduction in operating profit is also due to investment in the digital product portfolio, increases in marketing activity and recruitment of additional employees and one-off costs related to the move to the new premises. As a result of this investment the business is very well positioned to deliver an increase in operating margin and continued revenue growth in 2017.

The company continues to invest in research and development. The directors regard investment in this area as a prerequisite for success in the medium to long-term future.

Principal risks and uncertainties

The directors and senior management are confident of the skills and knowledge throughout the company and in its capability of offering the required product mix to meet market requirements.

All companies are exposed to certain risks and uncertainties, and the company does not under estimate these threats, and it is the responsibility of the officers of the company to assess, control and minimise any exposure.

The directors consider the two principal risks of the company to be:

Credit risk

The company's financial assets are bank balances and cash and trade and other receivables.

The company's credit risk is primarily attributable to trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made when there is an identified loss event, which, based on previous experience, is evidence of a reduction in the recoverability of cash flows. The company continues to operate a strict credit management policy in an aim to minimise this risk.

The credit risk on liquid funds is limited because the counterparts are banks with high credit-ratings assigned by international credit-rating agencies.

Economic risk

Whilst the company is subject to the same external uncertainties faced by all companies in the current macro-economic environment, the directors believe that the company is well placed to respond to challenges that may arise in the foreseeable future due to having a diverse customer base spread across a number of industry sectors.

CALLITECH LIMITED

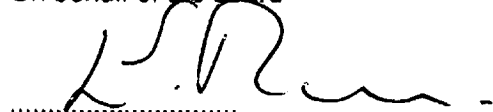
STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

Going concern

After making enquiries and based on the assumptions outlined in the accounting policies to 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, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

On behalf of the board



Mr E J B Reeves

Director

29th September 2017

CALLITECH LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and financial statements for the year ended 31 December 2016.

Principal activities

The principal activity of the company during the year was that of the provision of a telephone answering and outsourced switchboard service for its clients.

There have not been any significant changes in the principal activities of the company in the financial year ended 31 December 2016.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr E J B Reeves
Mrs R M E Clacher

Results and dividends

The results for the year are set out on page 8.

Supplier payment policy

The company's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company's continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees. This is achieved through regular company meetings where an opportunity is given at such meetings for questions regarding matters concerning employees, particularly with reference to matters concerning health and safety.

Employment policies provide equal opportunity, irrespective of sex, religion, race or marital status. Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement of disclosure to auditor


So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

CALLITECH LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

On behalf of the board



.....
Mr E J B Reeves

Director

29th September 2017

CALLITECH LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law 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 (United Kingdom Accounting Standards 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CALLITECH LIMITED

Opinion on financial statements

We have audited the financial statements on pages 8 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Strategic report and the Directors' Report have 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 any material misstatements in the Strategic Report or the Directors' report.

We have nothing to report in respect of the following matters where 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;

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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



Jonathan Lowe (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
One City Place
Queens Road
Chester
CH1 3BQ

Date

29/9/17

CALLITECH LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016


		2016 £	2015 £
Turnover	Notes 3	18,033,035	15,493,408
Administrative expenses		(15,869,420)	(12,631,517)
Exceptional items	4	(1,045,754)	(1,358,213)
Total administrative expenses		(16,915,174)	(13,989,730)
Operating profit	5	1,117,861	1,503,678
Interest receivable and similar income	8	2,096	941
Interest payable and similar charge	9	(10,357)	-
Profit on ordinary activities before taxation		1,109,600	1,504,619
Taxation	10	(88,758)	(96,843)
Profit for the financial year		1,020,842	1,407,776
Total comprehensive income for the year		1,020,842	1,407,776

The profit and loss account has been prepared on the basis that all operations are continuing operations.

CALLITECH LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2016**

	Notes	2016 £	£	2015 £	£
Fixed assets					
Goodwill	12		4,805		7,663
Other intangible assets	12		359,565		184,035
Total intangible assets			364,370		191,698
Tangible assets	13		863,664		180,166
			1,228,034		371,864
Current assets					
Debtors falling due after one	14	-		136,041	
Debtors falling due within one	14	6,635,412		5,386,632	
Cash at bank and in hand		1,169,266		648,917	
		7,804,678		6,171,590	
Creditors: amounts falling due within one year	15	(2,818,914)		(1,616,035)	
Net current assets			4,985,764		4,555,555
Total assets less current liabilities			6,213,798		4,927,419
Provisions for	16		(765,842)		7,761
Net assets			5,447,956		4,935,180
Capital and reserves					
Called up share capital	19		1,000		1,000
Profit and loss reserves	20		5,446,956		4,934,180
Total equity			5,447,956		4,935,180

The financial statements were approved by the board of directors and authorised for issue on 29th September 2017 and are signed on its behalf by:


 Mrs R M E Clacher
 Director

CALLITECH LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2015		1,000	3,968,963	3,969,963
Period ended 31 December 2015:				
Profit and total comprehensive income for the year		-	1,407,776	1,407,776
Transactions with owners				
Dividends	11	-	(442,559)	(442,559)
Balance at 31 December 2015		1,000	4,934,180	4,935,180
Period ended 31 December 2016:				
Profit and total comprehensive income for the year		-	1,020,842	1,020,842
Transactions with owners				
Dividends	11	-	(508,066)	(508,066)
Balance at 31 December 2016		1,000	5,446,956	5,447,956

CALLITECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Callitech Limited is a company limited by shares incorporated and domiciled in England and Wales. The registered office and principal place of business is The Western Gateway, Wrexham, LL13 7YT.

The company's principal activities are disclosed in the Directors' Report.

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

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.

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements:

- The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv).
- Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d).
- Section 11 paragraphs and Section 12 providing the equivalent disclosures required by this FRS are included in the consolidated financial statements of the group in which the entity is consolidated.
- The requirement of Section 33 Related Party Disclosures paragraph 33.7.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

Research and development

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is deferred and amortised over the period during which the company is expected to benefit. Provision is made for any impairment.

CALLITECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Going concern

The directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. After making enquiries and after reviewing the company's future prospects, taking into account possible changes in trading performance, 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 annual financial statements.

Turnover

The turnover shown in the profit and loss account represents the value of all services provided during the year, at selling price exclusive of Value Added Tax. All turnover relates to the company's principal activity and arose within the United Kingdom. Sales are recognised at the point at which the company has fulfilled its contractual obligations to the customer.

Intangible fixed assets - goodwill

Amortisation is calculated so as to write off the cost of an asset, net of anticipated disposals proceeds, over the estimated useful economic life of that asset as follows:

Goodwill	10% straight line
----------	-------------------

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation 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:

Patents	10% straight line
Software	20% straight line

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:

Short leasehold property	Over the period of the lease
Fixtures and fittings	20% reducing balance
Computer equipment	20% straight line

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.

CALLITECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Impairment of fixed assets

At each reporting 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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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 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 receivables 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.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, and loans from fellow group companies 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.

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

CALLITECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

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 tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. 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 is not discounted.

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.

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the group to consume substantially all of its economic benefit), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

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.

Employee Benefits

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 the profit and loss account in respect of pension costs and other post-retirement benefits 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 in the balance sheet.

CALLITECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Leases

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.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

2 Critical accounting estimates and areas of judgement

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

When applying our judgement of assets we take into consideration the remaining useful life of each asset at the financial year end date.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 £	2015 £
Turnover analysed by class of business		
Turnover	<u>18,033,035</u>	<u>15,493,408</u>
Other revenue		
Interest income	<u>2,096</u>	<u>948</u>
Turnover analysed by geographical market		
	2016 £	2015 £
United Kingdom	<u>18,033,035</u>	<u>15,493,408</u>

CALLITECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

4 Exceptional items

	2016 £	2015 £
Impairment of intangible assets	-	1,126,223
Impairment of tangible assets	-	239,990
Early termination of building lease	250,000	-
Onerous lease contracts	946,207	-
Credit on termination of supplier contract	(150,453)	-
	<u>1,045,754</u>	<u>1,358,213</u>

During 2016 the company vacated leased premises and has recognised the future costs of the onerous leases.

5 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	658	3,358
Fees payable to the company's auditors for the audit of the company's financial statements	21,500	21,500
Depreciation of owned tangible fixed assets	147,119	104,852
(Loss)/profit on disposal of tangible fixed assets	-	-
Amortisation of intangible assets	95,769	68,564
Operating lease charges	844,886	464,317
Exceptional items	1,045,754	-
Impairment of assets	-	1,358,213
	<u></u>	<u></u>

6 Employees

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

	2016 Number	2015 Number
Employee Numbers	<u>471</u>	<u>392</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	9,557,716	8,119,484
Social security costs	779,710	674,323
Pension costs	96,976	85,474
	<u>10,434,402</u>	<u>8,879,281</u>

CALLITECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

7 Directors' remuneration

The directors receive remuneration from another group company in both years as the directors are employed by that company. The amount recharged to this company in respect of directors' emoluments was £674,854 (2015: £493,532).

8 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	2,096	941

9 Interest payable

	2016 £	2015 £
Other interest paid	10,357	-

10 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	51,912	359,127
Adjustments in respect of prior periods	38,351	(155,113)
Total current tax	90,263	204,014
Deferred tax		
Origination and reversal of timing differences		(107,171)
Total tax charge	88,773	96,843

The charge for the year can be reconciled to the (loss)/profit per the profit and loss account as follows:

	2016 £	2015 £
(Loss)/profit before taxation	1,109,600	1,504,638
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)	221,920	304,728
Tax effect of expenses that are not deductible in determining taxable profit	66,227	17,694
Fixed asset differences	600	20,634
Adjustments in respect of prior years	28,351	(155,164)
Permanent capital allowances in excess of depreciation		55,300
Movement in short term timing differences		-
Deferred tax movement	2,775	-
Group relief claimed	(231,100)	(146,619)
Tax expense for the year	98,773	96,843

CALLITECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

11 Dividends

	2016 £	2015 £
Interim paid	508,066	442,559
	<u>508,066</u>	<u>442,559</u>

An interim dividend of 50.80p (2015: 44.26p) per share was paid to shareholders.

12 Intangible fixed assets

	Goodwill £	Software £	Patents £	Total £
Cost				
At 1 January 2016	28,575	1,724,591	17,660	1,770,826
Additions	-	268,440	-	268,440
Disposals	-	(1,127,421)	-	(1,127,421)
At 31 December 2016	<u>28,574</u>	<u>865,610</u>	<u>17,660</u>	<u>2,039,266</u>
Amortisation and impairment				
At 1 January 2016	20,912	1,547,823	10,392	1,579,127
Amortisation charged for the year	2,858	91,023	1,888	95,769
Disposals	-	(1,127,421)	-	(1,127,421)
At 31 December 2016	<u>23,769</u>	<u>511,425</u>	<u>12,280</u>	<u>1,674,896</u>
Carrying amount				
At 31 December 2016	<u>4,805</u>	<u>354,186</u>	<u>5,380</u>	<u>364,370</u>
At 31 December 2015	<u>7,663</u>	<u>176,768</u>	<u>7,267</u>	<u>191,698</u>

CALLITECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

13 Tangible fixed assets

	Short leasehold £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2016	206,888	383,633	711,618	1,302,139
Additions	-	606,501	224,116	830,617
Disposals	(206,888)	(365,550)	(466,356)	(1,038,794)
At 31 December 2016	-	624,584	469,378	1,093,962
Depreciation and impairment				
At 1 January 2016	194,477	358,416	569,080	1,121,973
Depreciation charged in the year	12,411	66,194	68,514	147,119
Disposals	(206,888)	(365,550)	(466,356)	(1,038,794)
At 31 December 2016	-	59,060	171,238	230,298
Carrying amount				
At 31 December 2016	-	565,524	298,140	863,664
At 31 December 2015	12,411	25,217	142,538	180,166

14 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	1,215,411	972,260
Corporation tax recoverable	290,539	37,973
Amounts due from fellow group undertakings	4,301,566	2,997,852
Other debtors	477,169	943,329
Prepayments and accrued income	350,727	435,218
	<u>6,635,412</u>	<u>5,386,632</u>
Amounts falling due after one year:		
Other debtors	-	136,041
	<u>-</u>	<u>136,041</u>
Total debtors	<u>6,635,412</u>	<u>5,484,700</u>

CALLITECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

15 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	374,363	648,038
Other taxation and social security	1,019,811	246,765
Accruals and deferred income	1,330,982	649,146
Other creditors	93,758	72,086
	<u>2,818,914</u>	<u>1,616,035</u>

16 Provisions for liabilities

	Onerous Lease £	Deferred Taxation £	Total £
At 1 January 2015	-	7,761	7,761
Provision in year	(775,093)	1,490	(773,603)
	<u>(775,093)</u>	<u>9,251</u>	<u>(765,842)</u>
At 31 December 2016			

17 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £
Balances:		
Accelerated Capital Allowances	(3,915)	(5,801)
Other short term timing differences	(5,336)	(1,960)
	<u>(9,251)</u>	<u>(7,761)</u>

18 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £96,976 (2015 - £85,474).

CALLITECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

19 Share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
Ordinary shares of £1 each	1,000	1,000

Ordinary share rights

The company's ordinary shares which carry no right to fixed income, each carry the right to one vote at the general meetings of the company.

20 Reserves

Profit and loss reserves

Cumulative profit and loss net of distributions to owner.

21 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2015 £
Within one year	789,953	297,772
Between one and five years	2,926,855	519,313
In over five years	6,780,000	247,250
	<u>10,496,808</u>	<u>1,064,335</u>

22 Related party transactions

Transactions with related parties

No guarantees have been given or received.

During the year the company received rental invoices of £308,359 (2015: £92,014) from and received £501,665 (2015: £Nil) from a partnership in which the directors of this company are partners. The balance due from the entity at the year-end is £Nil (2015: £501,665). No interest is charged.

Donations of £82,010 (2015: £25,635) were made during the year to a charitable foundation in which a director of the company is also a trustee of the charity.

CALLITECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

23 Controlling party

The directors consider the ultimate parent company to be TDKP Limited, a company incorporated in England and Wales. The largest and smallest group in which the results of the company are consolidated is that headed by TDKP Limited, the financial statements of which may be obtained from the Registrar of Companies, Companies Registration Office, Crown Way, Cardiff, CF4 3UZ.

The company was under the control of its directors, through the directors' shareholdings in TDKP Limited, the ultimate parent company.