

Tetcom Limited

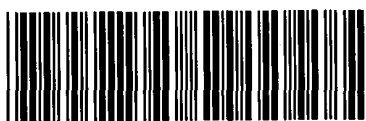
Unaudited Financial Statements

Year Ended

31 March 2018

Company Number 08013349

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Tetcom Limited

Company Information

Directors	J C Tett C A Tett P A Thorne (appointed 29 March 2018)
Registered number	08013349
Registered office	64 London Road Southampton SO15 2AH
Accountants	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL

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Tetcom Limited
Registered number: 08013349

Balance Sheet
As at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	4	1,933,973	2,059,970
Tangible assets	5	63,467	49,167
		<u>1,997,440</u>	<u>2,109,137</u>
Current assets			
Stocks	6	293,383	36,887
Debtors: amounts falling due after more than one year	7	82,547	67,749
Debtors: amounts falling due within one year	7	210,818	113,670
Cash at bank and in hand		239,520	9,816
		<u>826,268</u>	<u>228,122</u>
Creditors: amounts falling due within one year	8	(2,158,792)	(2,248,002)
Net current liabilities		<u>(1,332,524)</u>	<u>(2,019,880)</u>
Total assets less current liabilities		<u>664,916</u>	<u>89,257</u>
Creditors: amounts falling due after more than one year	9	(6,384)	(23,102)
Provisions for liabilities			
Deferred tax		(8,040)	(4,000)
		<u>(8,040)</u>	<u>(4,000)</u>
Net assets		<u><u>650,492</u></u>	<u><u>62,155</u></u>

Tetcom Limited
Registered number: 08013349

Balance Sheet (continued)
As at 31 March 2018

	Note	2018 £	2017 £
Capital and reserves			
Called up share capital	11	2,100	2,100
Profit and loss account		648,392	60,055
		<u>650,492</u>	<u>62,155</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

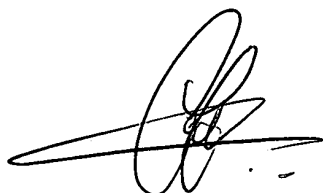
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



C A Tett
Director

Date: 8 August 2018

The notes on pages 3 to 12 form part of these financial statements.

Tetcom Limited

Notes to the Financial Statements For the Year Ended 31 March 2018

1. Accounting policies

1.1 Basis of preparation of financial statements

Tetcom Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the Contents Page.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

1.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.3 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Income and Retained Earnings over its useful economic life of 10 years.

Tetcom Limited

Notes to the Financial Statements For the Year Ended 31 March 2018

1. Accounting policies (continued)

1.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line and reducing balance methods.

Depreciation is provided on the following basis:

Plant and machinery	-	25% reducing balance
Motor vehicles	-	25% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

1.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

1.6 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.7 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

Tetcom Limited

Notes to the Financial Statements For the Year Ended 31 March 2018

1. Accounting policies (continued)

1.8 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

1.9 Leased assets: the Company as lessor

Where assets leased to a third party give rights approximating to ownership (finance lease), the lessor recognises as a receivable an amount equal to the net investment in the lease i.e. the minimum lease payments receivable under the lease discounted at the interest rate implicit in the lease. This receivable is reduced as the lessee makes capital payments over the term of the lease.

A finance lease gives rise to two types of income: profit or loss equivalent to the profit or loss resulting from outright sale of the asset being leased, at normal selling prices, reflecting any applicable discounts, and finance income over the lease term.

Receivables for finance leases are recognised as finance leases receivables in debtors and interest arising on these is recognised as finance income in the statement of income and retained earnings.

1.10 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

Tetcom Limited

Notes to the Financial Statements For the Year Ended 31 March 2018

1. Accounting policies (continued)

1.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Employees

The average monthly number of employees, including directors, during the year was 40 (2017 - 28).

Tetcom Limited

Notes to the Financial Statements For the Year Ended 31 March 2018

3. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	165,000	32,000
Adjustments in respect of previous periods	(7,202)	6,000
	<u>157,798</u>	<u>38,000</u>
Total current tax	<u>157,798</u>	<u>38,000</u>
Deferred tax		
Origination and reversal of timing differences	4,040	(2,000)
Total deferred tax	<u>4,040</u>	<u>(2,000)</u>
Taxation on profit on ordinary activities	<u>161,838</u>	<u>36,000</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>750,175</u>	<u>147,736</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	142,533	29,547
Effects of:		
Expenses not deductible for tax purposes	25,839	546
Adjustments to tax charge in respect of prior periods	(7,202)	6,000
R&D tax relief	(1,900)	(2,866)
Deferred tax rate differences	514	-
Other differences leading to an increase (decrease) in the tax charge	2,054	2,773
Total tax charge for the year	<u>161,838</u>	<u>36,000</u>

Factors that may affect future tax charges

There are no factors affecting future tax charges.

Tetcom Limited

Notes to the Financial Statements For the Year Ended 31 March 2018

4. Intangible assets

	Goodwill £
Cost	
At 1 April 2017	2,059,970
At 31 March 2018	2,059,970
Amortisation	
Charge for the year	125,997
At 31 March 2018	125,997
Net book value	
At 31 March 2018	1,933,973
At 31 March 2017	2,059,970

Tetcom Limited

Notes to the Financial Statements For the Year Ended 31 March 2018

5. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 April 2017	60,049	18,563	-	-	78,612
Additions	10,277	-	4,666	12,386	27,329
At 31 March 2018	<u>70,326</u>	<u>18,563</u>	<u>4,666</u>	<u>12,386</u>	<u>105,941</u>
Depreciation					
At 1 April 2017	28,533	912	-	-	29,445
Charge for the year on owned assets	8,388	4,641	-	-	13,029
At 31 March 2018	<u>36,921</u>	<u>5,553</u>	<u>-</u>	<u>-</u>	<u>42,474</u>
Net book value					
At 31 March 2018	<u>33,405</u>	<u>13,010</u>	<u>4,666</u>	<u>12,386</u>	<u>63,467</u>
At 31 March 2017	<u>31,516</u>	<u>17,651</u>	<u>-</u>	<u>-</u>	<u>49,167</u>

6. Stocks

	2018 £	2017 £
Finished goods and goods for resale	293,383	36,887
	<u>293,383</u>	<u>36,887</u>

Tetcom Limited

Notes to the Financial Statements For the Year Ended 31 March 2018

7. Debtors

	2018 £	2017 £
Due after more than one year		
Finance leases receivable	82,547	67,749
	<u>82,547</u>	<u>67,749</u>
	2018 £	2017 £
Due within one year		
Trade debtors	170,296	74,971
Other debtors	18,757	17,511
Prepayments and accrued income	4,481	1,875
Finance leases receivable	17,284	19,313
	<u>210,818</u>	<u>113,670</u>

8. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank loans (secured)	16,692	16,390
Other loans	-	50,000
Trade creditors	404,524	70,141
Corporation tax	190,749	58,750
Other taxation and social security	249,733	35,190
Other creditors	1,158,981	1,953,314
Accruals and deferred income	138,113	64,217
	<u>2,158,792</u>	<u>2,248,002</u>

The bank loans are secured by a debenture over the company and a guarantee totalling £70,000 given by the two directors.

Tetcom Limited

Notes to the Financial Statements For the Year Ended 31 March 2018

9. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Bank loans	6,384	23,102
	<u>6,384</u>	<u>23,102</u>

The bank loans are secured by a debenture over the company and a guarantee totalling £70,000 given by the two directors.

10. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year		
Bank loans	16,692	16,390
Other loans	-	50,000
	<u>16,692</u>	<u>66,390</u>
Amounts falling due 1-2 years		
Bank loans	6,384	17,176
	<u>6,384</u>	<u>17,176</u>
Amounts falling due 2-5 years		
Bank loans	-	5,926
	<u>-</u>	<u>5,926</u>
	<u>23,076</u>	<u>89,492</u>

Tetcom Limited

Notes to the Financial Statements For the Year Ended 31 March 2018

11. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
1,050 Ordinary A shares shares of £1 each	1,050	1,050
1,050 Ordinary B shares shares of £1 each	1,050	1,050
	<u>2,100</u>	<u>2,100</u>

12. Related party transactions

At the year end, the company owed J C Tett £26,984 (2017: £64,697) and was owed £538 (2017: £nil) from C A Tett. These amounts are included within other creditors falling due within one year. Interest totalling £5,410 was paid to the director during the year.

During the year the company loaned £Nil (2017: £3,000) to Tetsim Limited, a company of which both J C Tett and C A Tett are directors. A balance of £2,798 (2017: £5,058) was outstanding at the year end and this is included in other debtors. No interest has been charged on this loan.

Included within other creditors is a balance owing to Tetnet Communication Services LLP, an entity in which both J C Tett and C A Tett are members, totalling £1,120,623 (2017: £1,888,617). During the year the company recharged costs totalling £65,734 (2017: £93,676).

The company has guaranteed two lease for properties that Tetnet Communications Services LLP occupies. One lease ends in April 2020 at an annual rent of £30,000 per annum and the second lease ends in November 2027 at at initial rent of £75,000 and increasing to £150,000 per annum.

During the year dividends totalling £Nil (2017: £72,536) were paid to the directors.

As disclosed in note 9 the directors have given a guarantee totalling £70,000 in favour of the bank loan.

At year end in other loans is £Nil (2017: £50,000) owed to a member of the Tett family.

13. Controlling party

The company is controlled by the JC Tett and CA Tett by virtue of their shareholding in the company.