

Registered number: 08584229

NEW CALL TELECOM HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 MARCH 2018

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NEW CALL TELECOM HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS	Dr J P Booth - Chairman Dr N J Lynch-Aird
REGISTERED NUMBER	08584229
REGISTERED OFFICE	1st Floor Bishopsgate, 4-12 Norton Folgate, London E1 6DB
INDEPENDENT AUDITOR	Crowe U.K. LLP St Bride's House 10 Salisbury Square London EC4Y 8EH
BANKERS	National Westminster Bank Plc 501 Silbury Boulevard Milton Keynes MK9 3ER Barclays Bank Plc Level 27 1 Churchill Place London E14 5HP

CONTENTS

	Page
Group strategic report	1-2
Directors' report	3-5
Independent auditor's report	6-8
Consolidated statement of comprehensive income	9
Consolidated balance sheet	10
Company balance sheet	11
Consolidated statement of changes in equity	12
Company statement of changes in equity	13
Consolidated cash flow statement	14
Notes to the financial statements	15-32

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 29 MARCH 2018

The directors present their strategic report for the year ended 29 March 2018.

BUSINESS REVIEW

The remaining operating business continued its principal activities throughout the current accounting year, being the provision of telecommunications services. The wholesale business activities are continuing to grow and recover from continuing impacts described below. Investment and focus on growing the residential business activities has again continued this year with further marketing and continued development of company own applications and continued focus on converting legacy retail customers onto mobile application products including Planet Talk, which is now showing positive growth. Extending this area of focus we began the financial year with the investment acquisition of 'FooCall', another mobile application product which was further developed and marketed during the year. The partnership with Penny Appeal continued this year with the official launch of the charity mobile application in our first quarter of the year.

The operating businesses have not required net new injections of funds from the group's shareholder since March 2016. The group currently trades on a cash positive basis and the business continues to enjoy the support of its principal shareholder. Following a review of the UK broadband market a decision was taken to sell the group's broadband business and concentrate on creating value in telecommunications services in both wholesale and higher margin retail segments.

During the year, the assets of the group's UK broadband business were sold.

PRINCIPAL RISKS AND UNCERTAINTIES

There are a number of potential risks and uncertainties, which could have a material impact on the long-term performance of the group and could cause actual results to differ materially from expected results.

Management consider the following to be the significant risks and uncertainties attaching to the business:

Liquidity risk

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs.

The Directors monitor cash flow requirements on an ongoing basis to ensure that the group has sufficient resources to continue to meet its liabilities as and when they fall due.

External funding facilities are managed to ensure that both short-term and longer-term funding is available to provide short-term flexibility whilst providing sufficient funding to the working capital requirements of its subsidiaries.

Treasury operations and financial instruments

Despite a continued focus on high revenue/low margin destinations, the group has maintained a focus on cost control across its carriers to drive further improvements in the gross margin.

Foreign currency risk

The group operates internationally and in particular Europe. This results in the group being exposed to currency risk on the EURO and US dollar arising on transactions and balances. The directors constantly review the company's exposure to fluctuations in exchange rates and the impact on the company's results.

Credit risk

The group employs a stringent approach to credit risk with thorough due diligence checks in place in order to minimise any credit risk. During the period bad debt was minimal.

GROUP STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 29 MARCH 2018

FINANCIAL KEY PERFORMANCE INDICATORS

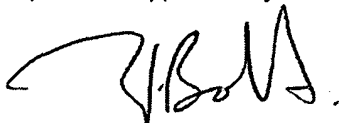
The key financial performance indicators for the company is the overall performance of its ongoing operating subsidiaries, the WaveCrest group of companies.

The directors consider that the KPI's critical to the performance of the business are margin and profitability of customer relationships. Significant steps were made in 2018 to establish the sustainability of the telecommunications services business based on these measures.

STRATEGY AND FUTURE DEVELOPMENTS

The group's telecommunication services business continues to prioritise the low cost international calls services. Continued focus on the successful hosted services remains a key driver for both revenue and margin. The Directors are confident that this will lead to improvements in the company's EBITDA result giving WaveCrest a firm footing for the future. The business continues to enjoy the support of its principal shareholder and network partners and the directors are confident that they can continue to develop the business in its new phase.

This report was approved by the board on 18th December 2018 and signed on its behalf.



Dr J Booth

Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 29 MARCH 2018

The directors present their report and the audited financial statements for the year ended 29 March 2018.

PRINCIPAL PLACE OF BUSINESS

New Call Telecom Holdings Limited is a company incorporated and domiciled in England and has its registered office and principal place of business at Bishopsgate Court 1st Floor, 4-12 Norton Folgate, London, England, E1 6DB.

RESULTS AND APPROPRIATIONS

The results and the state of affairs of the company for the year are set out in the financial statements on pages 9 to 32. The directors do not recommend the payment of a dividend. The loss for the financial year of £1.0 million (2017: £14.7 million) will therefore be taken to reserves.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the group strategic report, 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 group will continue in business;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS

The directors who served during the year were:

Dr J P Booth - Chairman

Dr N J Lynch-Aird

R C Jennings - Chief Finance Officer (resigned 9 June 2017)

RESEARCH AND DEVELOPMENT ACTIVITIES

The group is heavily committed to research and development activities. During the year the group concentrated its research and development activities on further iOS and Android phone App development and capitalised expenditure of £215,000 (2017: £220,000).

DIRECTORS' REPORT
FOR THE YEAR ENDED 29 MARCH 2018

EMPLOYEES

The group has a policy of encouraging the involvement and participation of employees in matters which affect their interests as employees. It is also the company's policy to promote health and safety at work, equality of opportunity in both recruitment and career development, and to recognise opportunities for the employment and development of the disabled.

BRANCHES IN THE EUROPEAN UNION

The group has a branch within the EU. The branch is included in the results of WaveCrest (UK) Limited which is consolidated into these financial statements.

MATTERS COVERED IN THE STRATEGIC REPORT

As required by s414C(11) of the Companies Act 2006, the strategic report contains a fair review of the business; the principal risks and uncertainties faced by the business; and the key financial and non-financial performance indicators as considered by the board of directors. This information is therefore excluded from the Directors' report.

STRATEGIC REPORTS

The company has chosen in accordance with *Companies Act 2006*, s. 414C(11) to set out in the company's strategic report information required by Schedule 7 of the *Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008* to be contained in the directors' report. It has done so in respect of future developments, research & development and financial instruments.

GOING CONCERN

The company and the group continue to enjoy the support of its principal shareholder, Dr Booth. However, should additional working capital be required in the future the company and the group do not have binding commitments from its shareholder to supply such additional working capital. The business has not required net new injections of funds from its shareholder since March 2016 and currently trades on a cash positive basis.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

DIRECTORS' REPORT
FOR THE YEAR ENDED 29 MARCH 2018

AUDITOR

On 25 June 2018, Crowe Clark Whitehill LLP changed its name to Crowe U.K. LLP.

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 18th December 2018 and signed on its behalf.



Dr J Booth
Director

NEW CALL TELECOM HOLDINGS LIMITED
REGISTERED NUMBER: 08584229

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW CALL TELECOM HOLDINGS LIMITED

Opinion

We have audited the financial statements of New Call Telecom Holdings Limited for the year ended 29 March 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Cash Flow Statement and the related notes numbered 1 to 24.

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). 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.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 29 March 2018 and of the group's loss 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 group 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 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 group's or the parent 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

NEW CALL TELECOM HOLDINGS LIMITED
REGISTERED NUMBER: 08584229

In connection with our audit of the 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- 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
- 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 group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

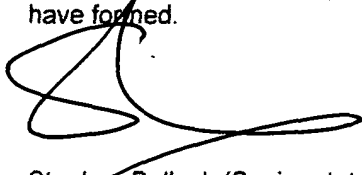
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

NEW CALL TELECOM HOLDINGS LIMITED
REGISTERED NUMBER: 08584229

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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 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.



Stephen Bullock (Senior statutory auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor

St Bride's House
10 Salisbury Square
London
EC4Y 8EH

Date: 20 December 2018

NEW CALL TELECOM HOLDINGS LIMITED
REGISTERED NUMBER: 08584229

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 29 MARCH 2018

	Note	Continued operations	2018 Discontinued operations	Total	Continued operations	2017 (As Restated) Discontinued operations	Total
		2018 £000	2018 £000	2018 £000	2017 £000	2017 £000	2017 £000
TURNOVER		167,860	5,758	173,618	59,768	22,578	82,346
Cost of Sales	1,3	(158,676)	(4,328)	(163,004)	(52,640)	(17,512)	(70,152)
GROSS PROFIT		9,184	1,430	10,614	7,128	5,066	12,194
Administrative Expenses		(7,665)	(2,921)	(10,586)	(7,514)	(6,496)	(14,010)
OPERATING PROFIT/(LOSS) BEFORE AMORTISATION & SAC COSTS	4	1,519	(1,491)	28	(386)	(1,430)	(1,816)
Amortisation		(3,761)	(1,445)	(5,206)	(4,390)	-	(4,390)
Sales acquisition costs		-	-	-	-	(4,521)	(4,521)
Other Income		-	-	-	-	90	90
TOTAL OPERATING PROFIT/(LOSS)		(2,242)	(2,936)	(5,178)	(4,776)	(5,861)	(10,637)
Profit/(loss) on disposal of operations		-	5,316	5,316	-	-	-
Interest receivable and similar income		-	-	-	-	-	-
Interest payable and similar charges	8	(363)	(953)	(1,316)	(272)	(3,759)	(4,031)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR BEFORE TAXATION		(2,605)	1,427	(1,178)	(5,048)	(9,620)	(14,668)
Taxation	9	18	-	18	-	-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		(2,587)	1,427	(1,160)	(5,048)	(9,620)	(14,668)
OTHER COMPREHENSIVE INCOME							
Foreign currency translation		156	-	156	(160)	-	(160)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(2,431)	1,427	(1,004)	(5,208)	(9,620)	(14,828)

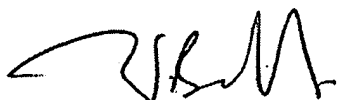
The notes on pages 15 to 32 form part of these financial statements.

NEW CALL TELECOM HOLDINGS LIMITED
REGISTERED NUMBER: 08584229

CONSOLIDATED BALANCE SHEET
AS AT 29 MARCH 2018

	Note	£000	2018 £000	£000	2017 £000
FIXED ASSETS					
Intangible assets	11		4,493		9,013
Tangible assets	12		151		2,431
Investments			-		-
			<u>4,644</u>		<u>11,444</u>
CURRENT ASSETS					
Debtors: amounts falling due after more than one year – Deferred tax asset	14	3,957		4,959	
Debtors: amounts falling due within one year	14	24,845		11,315	
Cash at bank		<u>2,799</u>		<u>243</u>	
Total current assets		31,601		16,515	
CURRENT LIABILITIES					
CREDITORS: amounts falling due within one year	15	<u>(101,073)</u>		<u>(79,876)</u>	
Total current liabilities		(101,073)		(79,876)	
NET CURRENT (LIABILITIES)/ASSETS			(69,472)		(63,361)
TOTAL ASSETS LESS CURRENT LIABILITIES			(64,828)		(51,917)
CREDITORS: amounts falling due after more than one year	16		<u>(7,439)</u>		<u>(18,766)</u>
NET LIABILITIES			(72,267)		(70,683)
CAPITAL AND RESERVES					
Called up share capital	21		1		1
Foreign exchange reserve			(123)		(279)
Other reserves			-		580
Profit and loss account			<u>(72,145)</u>		<u>(70,985)</u>
SHAREHOLDERS' DEFICIT			(72,267)		(70,683)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18th December 2018.



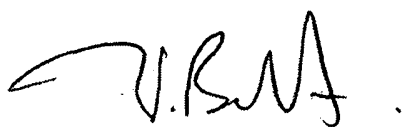
Dr J Booth
Director

NEW CALL TELECOM HOLDINGS LIMITED
REGISTERED NUMBER: 08584229

COMPANY BALANCE SHEET
AS AT 29 MARCH 2018

	Note	£000	2018 £000	2017 £000
FIXED ASSETS				
Investments	13		13,507	13,597
CURRENT ASSETS				
Debtors: amounts falling due within one year	14	<u>2,909</u>	<u>8,917</u>	
		2,909	8,917	
CREDITORS: amounts falling due within one year	15	<u>(16,423)</u>	<u>(9,706)</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(13,514)</u>	<u>(789)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			(7)	12,808
CREDITORS: amounts falling due after more than one year	16	<u>(56,344)</u>	<u>(67,853)</u>	
NET (LIABILITIES)			<u>(56,351)</u>	<u>(55,045)</u>
CAPITAL AND RESERVES				
Called up share capital	21		1	1
Profit and loss account brought forward			(55,046)	(39,410)
Loss for the year			<u>(1,306)</u>	<u>(15,636)</u>
SHAREHOLDERS' FUNDS			<u>(56,351)</u>	<u>(55,045)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18th December 2018.



Dr J Booth
Director

The notes on pages 15 to 32 form part of these financial statements.

NEW CALL TELECOM HOLDINGS LIMITED
REGISTERED NUMBER: 08584229

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 29 MARCH 2018

GROUP	Share capital £000	Foreign exchange reserve £000	Other reserves £000	Retained earnings £000	Total equity £000
At 1 April 2016	1	(119)	656	(56,317)	(55,779)
<i>Comprehensive income for the year</i>					
Loss for the year	-	(160)	-	(14,668)	(14,828)
Other comprehensive income for the year	-		(116)	-	(116)
Balance at 31 March 2017	<u>1</u>	<u>(279)</u>	<u>540</u>	<u>(70,985)</u>	<u>(70,723)</u>
<i>Comprehensive income for the year</i>					
Loss for the year	-	156	-	(1,160)	(1,004)
Other comprehensive income for the year	-	-	(540)	-	(540)
Balance at 29 March 2018	<u>1</u>	<u>(123)</u>	<u>-</u>	<u>(72,145)</u>	<u>(72,267)</u>

NEW CALL TELECOM HOLDINGS LIMITED
REGISTERED NUMBER: 08584229

COMPANY STATEMENT OF CHANGES IN EQUITY
AS AT 29 MARCH 2018

COMPANY	Share capital £000	Retained earnings £000	Total equity £000
At 1 April 2016	1	(39,410)	(39,409)
<i>Comprehensive income for the year</i>			
Loss for the year	-	-	-
Other comprehensive income for the year	-	(15,636)	(15,635)
Balance at 31 March 2017	1	(55,046)	(55,045)
<i>Comprehensive income for the year</i>			
Loss for the year	-	-	-
Other comprehensive income for the year	-	(1,306)	(1,306)
Balance at 29 March 2018	1	(56,352)	(56,351)

NEW CALL TELECOM HOLDINGS LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 29 MARCH 2018**

	2018 £000	2017 £000
Cash flows from operating activities		
Loss for the year	(1,004)	(14,668)
Adjustments for:		
Depreciation and amortisation	4,914	5,484
Interest payable	1,316	4,031
Interest receivable	-	-
Taxation	-	-
Change in trade and other receivables	(12,529)	4,776
Change in trade and other payables	9,133	2,799
Foreign exchange movements	156	(160)
Cash used in operations	<u>1,986</u>	<u>2,262</u>
Interest paid	(1,316)	(4,031)
Net cash used in operating activities	<u>(1,316)</u>	<u>(1,769)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(34)	(441)
Payments for intangible assets	(294)	-
Disposal of intangible assets	2,214	-
Net cash used in investing activities	<u>1,886</u>	<u>(441)</u>
Cash flows from financing activities		
Increase in loans in the year	-	-
Net cash generated by financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	<u>2,556</u>	<u>(2,210)</u>
Cash and cash equivalents at the beginning of the year	243	2,453
Cash and cash equivalents at the end of the year	2,799	243

The notes on pages 15 to 32 form part of these financial statements.

NEW CALL TELECOM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 MARCH 2018

1. ACCOUNTING POLICIES

General Information

New Call Telecom Holdings Limited, a company limited by shares, is a limited company incorporated in England and Wales and has its registered office at Bishopsgate Court 1st Floor, Bishopsgate Court, 4-12 Norton Folgate, London, England, E1 6DB.

In July 2017 the assets of the group's UK broadband business were sold. Therefore, the consolidated statement of comprehensive income includes continued and discontinued operations separately.

The principal activity of the company is to act as holding company to its operating business – the WaveCrest group of companies.

1.1 Basis of preparation of financial statements

These financial statements have been prepared in compliance with FRS 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies. Further information can be found in note 2.

1.2 Going concern

New Call Telecom Holdings Limited is funded by loans from its principal shareholder which have enabled it to provide working capital loans to its subsidiary undertakings. The shareholder has confirmed that it is not his intention to seek repayment of those loans within a period of at least twelve months from the approval of these financial statements unless the company is able to make such repayments.

Should additional working capital be required in the future the company does not have binding commitments from its shareholder to provide such additional working capital. However, the group has not required net new injections of funds from its shareholder since March 2016 and held cash of £2.7 million at the balance sheet date. The directors have prepared business plans and cash flow projections which show that the group is able to meet its commitments as they fall due for a period of at least 12 months from the date of approval of the financial statements.

The directors therefore consider it is appropriate to continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3 Basis of consolidation

The financial statements consolidate the financial statements of New Call Telecom Holdings Limited and all of its subsidiary undertakings ('subsidiaries') controlled by the parent. Control is achieved where the company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired during the year are included from the effective date of acquisition. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

NEW CALL TELECOM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 MARCH 2018

1. ACCOUNTING POLICIES (continued)

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised.

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account.

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of services supplied during the year, exclusive of Value Added Tax and trade discounts.

Net revenue is derived from carrying a mix of business, residential and carrier long distance traffic, data and internet traffic.

For certain voice services, net revenue is earned based on the number of minutes during a call and are recorded upon completion of a call. Revenue for a period is calculated from information received through the network switches. The company's systems allow it to track the information from the switch and analyse the call detail records against stored detailed information about revenue rates. This system provides the company with the ability to carry out a timely and accurate analysis of revenue earned in a period. Separate prepaid services software is used to track additional information related to prepaid service usage such as activation date, monthly usage amounts and expiration date.

Net revenue is also earned on a fixed monthly fee basis for certain products. Data/internet services include monthly fees collected for the provision of a number of plans. These fees are recognised as access is provided on a monthly basis. Additionally, service activation and installation fees are deferred and amortised over the contract term. The company records payments received in advance for services and services to be provided under contractual agreements, such as internet broadband as deferred revenue until such related services are provided.

1.5 Taxation

Income tax represents the sum of the tax currently payable/refundable and deferred tax.

The tax currently refundable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible timing differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2018

1. ACCOUNTING POLICIES (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

1.6 Intangible fixed assets and amortisation

Goodwill

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

Customer contracts

On acquisition the company seeks to identify other acquired intangible assets such as customer contracts. Acquired intangible assets such as customer contracts acquired through a business combination are capitalised separately from goodwill and amortised over their expected useful lives of up to five years on a straight line basis. The value attributed to such assets is based on the future economic benefit that is expected to be derived from them. The method of amortisation reflects the pattern in which the assets are expected to be consumed.

Amortisation is provided at the following rates:

Customer contracts	-	10% straight line
Research and development expenditure	-	33% straight line
Goodwill	-	5% straight line
Goodwill on acquisition of subsidiaries	-	20% straight line

1.7 Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project which is considered to be 3 years. Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the profit and loss account.

NEW CALL TELECOM HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2018**

1. ACCOUNTING POLICIES (continued)**1.8 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	20% straight line
Fixtures & fittings	-	25% straight line
Fixtures & fittings – Customer premises equipment	-	Initial customer contract length
Computer equipment	-	33% straight line
Computer software	-	33% straight line

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

1.9 Investments

Investments in subsidiary and associated undertakings are stated at cost less provision for impairment. The carrying values of investments are reviewed for impairment in periods when events or changes in circumstances indicate the carrying value may not be recoverable.

1.10 Debtors

Trade and other debtors that are receivable within one year and do not constitute a financing transaction are recorded at the undiscounted amount expected to be received, net of impairment. Those that are receivable after more than one year or that constitute a financing transaction are recorded initially at fair value less transaction costs and subsequently at amortised cost, net of impairment.

1.11 Impairment of financial assets

Financial assets, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2018

1. ACCOUNTING POLICIES (continued)

average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.12 Interest bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the statement of comprehensive income over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

1.13 Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

1.14 Related parties

For the purposes of these financial statements, a party is considered to be related to the Company if:

- (i) the party has the ability, directly or indirectly, through one or more intermediaries, to control the Company or exercise significant influence over the company in making financial and operating policy decisions, or has joint control over the Company;
- (ii) the Company and the party are subject to common control;

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2018

1. ACCOUNTING POLICIES (continued)

- (iii) the party is an associate of the Company or a joint venture in which the Company is a venturer;
- (iv) the party is a member of key management personnel of the Company or the Company's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals;
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Company or of any entity that is a related party of the Company; or
- (vii) the party, or any member of a group of which it is part, provides key management personnel services to the company or its parent.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

1.15 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

1.16 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling, which is also the functional currency of the Company, at rates of exchange ruling at the balance sheet date. The unrealised exchange gain/loss on revaluation is included in the profit and loss account.

Foreign currency borrowings have been revalued at the exchange rate ruling at the balance sheet date. The unrealised exchange gain/loss on revaluation is included in the profit and loss account.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

The financial statements of overseas subsidiary undertakings are translated into sterling at the average rate of exchange for the period. Exchange differences arising on the retranslation of opening net assets and liabilities are taken directly to reserves. All other translation differences are taken to the profit and loss account.

1.17 Employee benefits

Short-term employee benefits are recognised as an expense in the period in which they incurred.

The obligations for contributions to defined contribution scheme are recognised as an expense in the period they are incurred. The assets of the scheme are held separately from those of the company in an independently administered fund.

NEW CALL TELECOM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 MARCH 2018

1. ACCOUNTING POLICIES (continued)

1.18 Pensions

The group operated a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

1.19 Sales acquisition costs

Expenses incurred to acquire new residential home telephone and broadband customers in the form of commissions paid to third parties are deferred and charged to the profit and loss account evenly over a 24 month period.

This represents a change in accounting estimate adopted prior to the financial year ended 31 March 2017. The comparative figures have not been restated to reflect this as this change in estimate is not retrospective. In the year ended 31 March 2015 sales acquisition costs were deferred and charged to the profit and loss account evenly over a 36 month period.

The directors are of the opinion that this change of accounting estimate more appropriately matches the expense of acquiring new customers with the economic benefit flowing to the group from acquiring that customer, over the anticipated period of customer tenure.

1.20 Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in note 1, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Bad debt provisions

The group's allowance for doubtful receivables reflects estimated losses that result from the inability of customers to make required payments. Management determines the size of the allowance based on the likelihood of recoverability of accounts receivable taking into account actual losses in prior years and current collection trends. Provisions are specific and are based on actual amounts outstanding at the year end.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2018

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION
UNCERTAINTY (continued)

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Intangible fixed assets

In determining the development expenditures to be capitalised, the group makes estimates and assumptions based on expected future economic benefits generated by products that are the result of these development expenditures. Intangible fixed assets are depreciated over their useful lives. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the probable outflow of resources, and a reliable estimate can be made of the amount of the obligation.

Deferred taxation

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Therefore, estimates are made to establish whether deferred tax balances should be recognised, in particular in respect of non-trading losses.

NEW CALL TELECOM HOLDINGS LIMITED

3. TURNOVER

An analysis of turnover by class of business is as follows:

	2018	2017
	£000	£000
NCT Residential telephone and broadband services (Discontinued)	5,517	21,634
NCT Business telephone and broadband services (Discontinued)	241	944
International calling services	1,922	2,359
Origination and termination services	<u>165,938</u>	<u>57,409</u>
	<u>173,618</u>	<u>82,346</u>

	2018	Restated 2017
	£000	£000
United Kingdom	87,087	50,101
United Kingdom (Discontinued)	5,758	22,578
Rest of European Union	74,173	9,667
Rest of world	<u>6,600</u>	<u>-</u>
	<u>173,618</u>	<u>82,346</u>

4. OPERATING LOSS

The operating loss is stated after charging:

	2018	2017
	£000	£000
Amortisation – intangible fixed assets	4,595	3,943
Depreciation of tangible fixed assets:		
- owned by the group	100	1,304
Operating lease rentals:		
- land and buildings	-	364
Amortisation of deferred research and development expenditure	219	237

NEW CALL TELECOM HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2018**

5. AUDITOR'S REMUNERATION

	2018	2017
	£000	£000
Fees payable to the company's auditor and its associated for the audit of the company's annual financial statements	10	28
Other services	<u>71</u>	<u>82</u>
	<u>81</u>	<u>110</u>

6. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2018	2017
	£000	£000
Wages and salaries	4,766	5,373
Social security costs	605	868
Other pension costs	<u>141</u>	<u>138</u>
	<u>5,512</u>	<u>6,379</u>

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

	2018	2017
Senior executives	3	10
Professional roles	24	63
Administration and customer services	47	107
Apprentices	<u>-</u>	<u>2</u>
	<u>74</u>	<u>182</u>

7. KEY MANAGEMENT PERSONNEL COMPENSATION

The company's key management personnel are considered to be the directors. Their compensation during the year was as follows:

	2018	2017
	£000	£000
Wages and salaries	-	146
Social security costs	-	103
Other pension costs	<u>-</u>	<u>2</u>
	<u>-</u>	<u>251</u>

The highest paid director received remuneration of £nil (2017: £109,000)

The aggregate amount of consideration paid to third parties for making available the services of person's who were directors of New Call Telecom Holdings Limited during the period amounted to £nil (2017: £nil).

NEW CALL TELECOM HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2018**

8. INTEREST PAYABLE

	2018	2017
	£000	£000
On other loans	953	3,759
Other interest payable	<u>363</u>	<u>272</u>
	<u>1,316</u>	<u>4,031</u>

9. TAXATION

	2018	2017
	£000	£000
Analysis of tax charge in the period/year		
Current tax (see note below)		
UK corporation tax charge on loss for the period/year	—	—
Total current tax	—	—
Deferred tax		
Effect of increased tax rate on opening liability	—	—
Tax on loss on ordinary activities	<u>—</u>	<u>—</u>

Factors affecting tax charge for the year/period

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

	2018	2017
	£000	£000
Loss on ordinary activities before tax	<u>(2,872)</u>	<u>(14,668)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	(546)	(2,934)
Effects of:		
Expenses not deductible for tax purposes,	76	1,190
Capital allowances for period/year in excess of depreciation	2	2
Short term timing difference leading to an increase (decrease) in taxation	—	30
Tax refund for R&D claim	(18)	—
Unutilised tax losses carried forward	<u>468</u>	<u>1,712</u>
Current tax credit for the period/year (see note below)	<u>(18)</u>	<u>—</u>

Factors that may affect future tax charges

The group has unutilised trading losses arising carried forward of £177.0 million (2017: £177.4 million) that are available indefinitely for offset against future taxable profits of the company.

In respect of some group companies a deferred tax asset of £4.5 million has been recognised in respect of these losses based on the projected profits to enable these losses to be offset in those group companies.

NEW CALL TELECOM HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2018**

9. TAXATION (continued...)

For the remaining group losses, in accordance with FRS 19, no deferred tax asset has been recognised in respect of these amounts. The directors will continue to assess, on a company by company basis, in the future whether a deferred tax asset should be recognised in respect of this item.

The group has unutilised capital losses arising in the UK carried forward of £1.8 million (2017: £1.8 million)

10. DEFERRED TAXATION

	Other	Revaluation	Accelerated capital allowances	Total
	£000's	£000's	£000's	£000's
At 1 April 2017	4,958	-	-	4,958
Credited to the profit and loss account	<u>(1,001)</u>	<u>-</u>	<u>-</u>	<u>(1,001)</u>
At 29 March 2018	<u>3,957</u>	<u>-</u>	<u>-</u>	<u>3,957</u>

11. INTANGIBLE FIXED ASSETS

	Customer contracts £000	Research & development £000	Goodwill on acquisition of subsidiaries £000	Goodwill £000	Total £000
Group Cost					
At 1 April 2017	1,818	710	19,716	2,159	24,403
Additions		215	79		294
Disposals	<u>(1,818)</u>			<u>(2,159)</u>	<u>(3,977)</u>
At 29 March 2018	<u>-</u>	<u>925</u>	<u>19,795</u>	<u>-</u>	<u>20,720</u>
Amortisation					
At 1 April 2017	1,818	603	10,810	2,159	15,390
Disposals	<u>(1,818)</u>			<u>(2,159)</u>	<u>(3,977)</u>
Charge for the year	<u>-</u>	<u>219</u>	<u>4,595</u>	<u>-</u>	<u>4,814</u>
At 29 March 2018	<u>-</u>	<u>822</u>	<u>15,405</u>	<u>-</u>	<u>16,227</u>
Net book value					
At 29 March 2018	<u>-</u>	<u>103</u>	<u>4,390</u>	<u>-</u>	<u>4,493</u>
At 31 March 2017	<u>-</u>	<u>107</u>	<u>8,906</u>	<u>-</u>	<u>9,031</u>

NEW CALL TELECOM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2018

12. TANGIBLE FIXED ASSETS

	Plant & machinery £000	Fixtures & fittings £000	Computer equipment and software £000	Total £000
Group				
Cost				
At 1 April 2017	5,452	1,656	3,038	10,146
Additions	-	-	34	34
Disposals	(3,555)	(1,478)	(2,255)	(7,288)
At 29 March 2018	<u>1,897</u>	<u>178</u>	<u>817</u>	<u>2,892</u>
Depreciation				
At 1 April 2017	5,008	840	1,867	7,715
Charge for the year	92	-	8	100
Disposals	(3,317)	(671)	(1,086)	(5,074)
At 29 March 2018	<u>1,783</u>	<u>169</u>	<u>789</u>	<u>2,741</u>
Net book value				
At 29 March 2018	<u>114</u>	<u>9</u>	<u>28</u>	<u>151</u>
At 31 March 2017	<u>444</u>	<u>816</u>	<u>1,171</u>	<u>2,431</u>

13. FIXED ASSET INVESTMENTS

	Fixed asset investment £000
Company	
Cost	
At 1 April 2016	13,597
Impairment	(90)
At 31 March 2017	<u>13,507</u>

NEW CALL TELECOM HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2018**

13. FIXED ASSET INVESTMENTS (continued...)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name (and country of incorporation if outside Great Britain)	Class of shares	Holding
New Call Telecom Limited	Ordinary £1	100%
WaveCrest (UK) Limited	Ordinary £1	100%
WaveCrest Communications France SAS (France)	Ordinary £1	100%
WaveCrest Communications LLC (USA)	Ordinary £1	100%
WaveCrest Italia SRL (Italy)	Ordinary €1	100%

14. DEBTORS

	2018 £000	Group 2017 £000	2018 £000	Company 2017 £000
Due after more than one year				
Deferred tax asset	3,957	4,958	-	-
	<u>3,957</u>	<u>4,958</u>	<u>-</u>	<u>-</u>
Due within one year				
Trade debtors	12,094	2,041	-	-
Amounts owed by group undertakings	102	2,119	2,908	8,916
Other debtors	2,187	495	1	1
Prepayments	10,462	6,660	-	-
Deferred tax asset	-	-	-	-
	<u>24,845</u>	<u>11,315</u>	<u>2,909</u>	<u>8,917</u>

NEW CALL TELECOM HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2018**

15. CREDITORS

Amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£000	£000	£000	£000
Shareholder loan notes	6,717	-	6,717	-
Other loans	52,056	53,396	-	-
Trade creditors	9,913	7,124	-	-
Amounts owed to related parties	-	57	-	-
Other taxation and social security	196	902	-	-
Other creditors	1,435	1,950	-	-
Accruals and deferred income	30,756	16,447	9,706	9,706
	101,073	79,876	16,423	9,706

16. CREDITORS

Amounts falling due after more than one year

	Group		Company	
	2018	2017	2018	2017
	£000	£000	£000	£000
Shareholder loan notes	-	6,717	-	6,717
Other loans	2,439	2,740	51,343	56,136
Trade creditors	-	662	-	-
Other creditors	-	3,647	-	-
Other creditors – deferred consideration	5,000	5,000	5,000	5,000
	7,439	18,766	56,344	67,853

Group and company

Shareholder loan notes are repayable in 2018. Interest is payable on the loan notes at the rate of 8% per annum in cash or, at the lenders' option, by the issue of further loan notes in lieu of interest.

Shareholder loan notes are secured by way of a debenture in favour of Dr Jerome Booth over all of the assets of New Call Telecom Holdings Limited.

Included in trade creditors is an amount due to a supplier on deferred terms. The outstanding amount at 29 March 2018 was £nil (2017: £2,443,000).

NEW CALL TELECOM HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2018**

16. CREDITORS (continued...)

Amounts falling due after more than one year

Group

Included in other creditors is a traffic account between WaveCrest Germany (a branch of WaveCrest (UK) Limited) and MTT. Previously, this traffic account was deemed to be a short term creditor but has been converted to a long term loan. This is repayable via WaveCrest (UK) Limited supplying MTT with approximately £33,000 (\$50,000) worth of traffic per month for two hundred months commencing 1 May 2009. The outstanding balance as at 30 March 2018 was £2,711,000 (2017: £4,126,000). The amount due after five years is £1,727,000 (2017: £1,727,000). The amount due within one year of £427,000 (2017: £488,000) is in other creditors at note 15.

17. OPERATING LEASE COMMITMENTS

	Land and buildings	
	2018	2017
	£000	£000
Group:		
Within one year	123	364
Between two and five years	799	3,195
Greater than five years	-	439
	<u>922</u>	<u>3,998</u>

18. FINANCIAL INSTRUMENTS

	2018	2017
	£000	£000
Financial instruments that are debt instruments measured at amortised cost:		
Trade debtors	12,094	2,041
Other debtors	6,144	5,453
Cash at bank and in hand	2,799	243
Financial liabilities measured at amortised cost:		
Other loans	61,212	62,853
Trade creditors	9,913	7,786

NEW CALL TELECOM HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 MARCH 2018

19. RELATED PARTY TRANSACTIONS

The company and group has the engaged in the following transactions and has balances outstanding at the year end with other related parties:

Company

At the balance sheet date the company had the following amounts included within creditors due greater than one year and accrued interest, included within accruals, owing to Dr J Booth, a director and majority shareholder of New Call Telecom Holdings Limited

	Balance at 31 March 2017	Movement	Balance at 29 March 2018
	£000	£000	£000
2018 Loan notes	6,717	-	6,717
Working capital loan	61,136	(6,641)	54,495
Accrued interest	9,706	-	9,706

Group

New Call Telecom India Private Limited is a related party through common directorships with the company. During the year New Call Telecom India Private Limited made recharges for staff, rent and other operating expenses amounting to £84,157 (2017: £327,558) to the company. At the year end, included within debtors, New Call Telecom India Private Limited owed the company £nil (2017: £17,613).

New Sparta Limited is a related party through common directors/shareholders. During the year New Sparta Limited invoiced the company amounts totalling £nil (2017: £66,000) in relation to consultancy, rent and expenses incurred by the director of the company, Dr Jerome Booth. At the year end, included within creditors, are amounts owed to New Sparta Limited, totalling £nil (2017: £Nil).

Lynch-Aird Consulting LLP is a related party through common director/member. During the year Lynch-Aird Consulting LLP invoiced the company amounts totalling £17,545 (2017: £17,546) in relation to consultancy services. At the year end, included within creditors, are amounts owed to Lynch Aird Consulting LLP totalling £nil (2017: £17,546).

20. PENSION COMMITMENTS

The group operates a defined contributions pension scheme on behalf of certain employees. The pension cost charge represents contributions payable by the group amounted to £141,000 (2017: £283,000). Contributions totalling £36,000 (2017: £23,000) were payable to the fund at the balance sheet date and are included in creditors.

NEW CALL TELECOM HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2017**

21. SHARE CAPITAL

	2018 £000	2017 £000
Allotted, called up and fully paid		
100,000 Ordinary shares of £0.01 each	<u>1</u>	<u>1</u>

22. RESERVES

Called up share capital

Represents the nominal value of shares that have been issued.

Other reserves

Represents the discounted amount of deferred trade creditors to be unwound over the payment terms.

Profit & loss account

Represents the cumulative excess of realised and unrealised profits and losses.

23. CAPITAL COMMITMENTS

The group had no capital commitments at the year end (2017: Nil)

24. DISCONTINUED OPERATIONS

In July 2018 the group completed the disposal of the trade and assets of New Call Telecom Limited for aggregate consideration of £6,381,774. Following the disposal all remaining assets and liabilities of New Call Telecom Limited were written down to their recoverable amounts, resulting in a total net profit on disposal of discontinued activities of £5,316,000.