

# Financial Statements

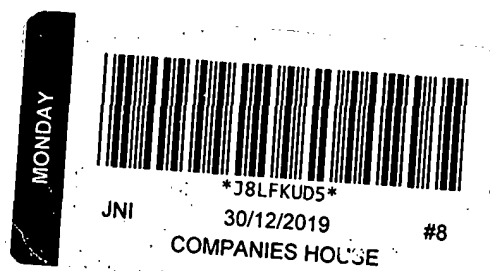
## Telecoms Management Limited

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For the period ended 31 March 2019



Registered number: NI655480



## Company Information

**Directors**  
Matthew Brown (appointed 13 November 2018)  
Robin Brown (appointed 18 January 2019)  
Colin Nigel Dowds (appointed 30 December 2018)  
Maeve Kelly (appointed 18 January 2019)  
Richard Kelly (appointed 4 September 2018)  
Sean Mahon (appointed 25 September 2018)

**Registered number** NI655480

**Registered office**  
107 Huntly Road  
Banbridge  
BT32 3UR

**Bankers**  
First Trust  
42-44 Hill Street  
Newry  
Co. Down  
BT34 1AU

**Solicitors**  
Tughans  
Marlborough House  
30 Victoria Street  
Belfast  
BT1 3GG

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# **Group strategic report**

**For the period ended 31 March 2019**

## **Introduction**

The directors present their report and the financial statements of Telecoms Management Limited for the period ended 31 March 2019

## **Business review**

The directors consider the results to be satisfactory. The directors plan to grow the business and diversify the product and service offering over the coming years through a mixture of organic growth and targeted acquisition

## **Principal risks and uncertainties**

The group uses various financial instruments including bank overdrafts and loans, cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the group's operations.

The existence of these financial instruments exposes the group to a number of financial risks, which are described in more detail below.

The directors consider that the principal risks and uncertainties faced by the company are in the following categories:

### **Economic risk:**

The risk of inflation and a changing environment having an adverse impact on served markets.

The risk of unrealistic increases in wages or infrastructure cost impacting adversely on competitiveness of the group and its principal customers, coupled with the risk of an increase in competition and changes in technology in the mobile telecommunications market driving pricing down.

These risks are managed by strict control of costs, diversification of the Group's range of products and services and operation cost synergies achieved through targeted acquisitions.

### **Liquidity risk**

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

Short-term flexibility is achieved by the use of overdraft and rolling leasing facilities.

### **Interest rate risk**

The group finances its operations through a mixture of retained profits and bank borrowings. The group exposure to interest rate fluctuations on its borrowings is managed through an interest rate cap in respect of the variable element of the bank borrowing interest rate.

### **Credit risk**

The group's principal financial assets are cash and debtors. The credit risk associated with cash is limited. The principal credit risk arises therefore from debtors, however a significant proportion of the Group's revenue is generated from a blue chip Plc which reduces this risk somewhat. However, in order to manage credit risk the directors have improved the credit control processes of the Group with a dedicated resource managing credit risk through direct contact with customers on a day to day basis.

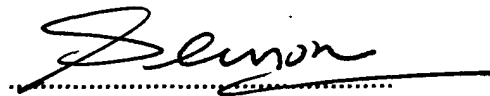
## **Group strategic report (continued)**

**For the period ended 31 March 2019**

### **Financial key performance indicators**

The Board monitors the progress of the company by reference to the key performance indicators, being revenue, EBITDA and profit before tax. The directors are satisfied with this result.

This report was approved by the board on 30th December 2019 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'Sean Mahon', is written over a horizontal dotted line.

**Sean Mahon**  
Director

## Directors' report

For the period ended 31 March 2019

The directors present their report and the financial statements for the period ended 31 March 2019.

### **Directors' responsibilities statement**

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

### **Principal activity**

The principal activity of the company is that of a holding company.

The principal activity of the group is that of mobile and fixed line telecommunication services.

### **Results and dividends**

The loss for the period, after taxation, amounted to £485,166.

EBITDA of the group for the 5 month period was £1,180,405, calculated as follows:

a. Loss before tax	(£478,349)
b. Interest	£349,856
c. Depreciation and Amortisation	<u>£1,308,898</u>
d. EBITDA	<u>£1,180,405</u>

## **Directors' report (continued)**

**For the period ended 31 March 2019**

### **Directors**

The directors who served during the period were:

**Matthew Brown (appointed 13 November 2018)**  
**Robin Brown (appointed 18 January 2019)**  
**Colin Nigel Dowds (appointed 30 December 2018)**  
**Maeve Kelly (appointed 18 January 2019)**  
**Richard Kelly (appointed 4 September 2018)**  
**Sean Mahon (appointed 25 September 2018)**

### **Employee involvement**

The company will continue to promote, encourage and champion best practice and invest further as a priority in the ongoing development of core skills both within the company, local economy and wider industry.

### **Disabled employees**

The group gives full consideration to applications from all disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. When existing employees become disabled, it is the group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

### **Matters covered in the strategic report**

Under Schedule 7.1A of "Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008" the Group has elected to disclose the following in the Directors' Report information in the Strategic Report:

- Business review and future developments; and
- Principal risks and uncertainties.

### **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 the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the 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.

### **Post balance sheet events**

There have been no significant events affecting the Group since the year end.

## **Directors' report (continued)**

**For the period ended 31 March 2019**

### **Auditor**

The auditor, Grant Thornton (NI) LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 30<sup>th</sup> December 2019 and signed on its behalf.

  
.....  
**Sean Mahon**  
Director



## Independent auditor's report to the members of Telecoms Management Limited

### Opinion

We have audited the financial statements of Telecoms Management Limited (the 'parent Company') and its subsidiaries (the 'Group'), which comprise the Consolidated Statement of comprehensive income, the Consolidated and Company Balance sheets, the Consolidated Statement of cash flows, the Consolidated and Company Statement of changes in equity for the financial period ended 31 March 2019, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, Telecoms Management Limited's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the financial position of the Group's and the Company as at 31 March 2019 and of the Group financial performance and cash flows for the period then ended; and
- 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') and applicable law. Our responsibilities under those standards are further described in the 'responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, namely FRC's Ethical Standard concerning the integrity, objectivity and independence of the auditor. We have fulfilled our 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.

## Independent auditor's report to the members of Telecoms Management Limited (continued)

### **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**

Other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon, including the Directors' report and the Strategic Report. The directors are responsible for the other information. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the 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 in the financial statements, 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.

## Independent auditor's report to the members of Telecoms Management Limited (continued)

### **Matters on which we are required to report by exception**

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 management and those charged with governance for the financial statements**

Management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS102 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, management is responsible for assessing the Group and 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 management either intend to liquidate the Group and Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

## Independent auditor's report to the members of Telecoms Management Limited (continued)

### **Responsibilities of the auditor for the audit of the financial statements**

The objectives of an auditor 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.

As part of an audit in accordance with ISAs (UK), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. They will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

The auditor shall communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

Where the auditor is reporting on the audit of a group, the auditor's responsibilities are to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the group financial statements. The auditor is responsible for the direction, supervision and performance of the audit, and the auditor remains solely responsible for the auditor's opinion



## Independent auditor's report to the members of Telecoms Management Limited (continued)

### **The purpose of our audit work and to whom we owe our responsibilities**

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.

*Neal Taylor*

Neal Taylor (Senior statutory auditor)

for and on behalf of

**Grant Thornton (NI) LLP**

Chartered Accountants

Statutory Auditors

Belfast

Date: *30<sup>th</sup> December 2019*

# Consolidated statement of comprehensive income

For the period ended 31 March 2019

	Note	2019 £
Turnover	4	4,460,940
Cost of sales		(1,599,422)
<b>Gross profit</b>		<b>2,861,518</b>
Administrative expenses		(2,990,011)
<b>Operating (loss)</b>	5	<b>(128,493)</b>
Interest payable and similar expenses		(349,856)
<b>(Loss) before taxation</b>		<b>(478,349)</b>
Tax on (loss)	9	(6,817)
<b>(Loss) for the financial period</b>		<b>(485,166)</b>
<b>Loss for the financial period attributable to:</b>		
Owners of the parent company		(485,166)
		<b>(485,166)</b>

There were no recognised gains and losses for 2019 or 2018 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2019 (2018: £NIL).

The notes on pages 17 to 40 form part of these financial statements.


## Consolidated balance sheet

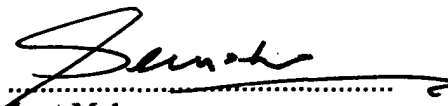
As at 31 March 2019

	Note	2019 £
<b>Fixed assets</b>		
Intangible assets	11	15,256,403
Tangible assets	12	1,429,669
		<u>16,686,072</u>
<b>Current assets</b>		
Debtors: amounts falling due within one year	14	2,729,005
Cash at bank and in hand	15	8,738
		<u>2,737,743</u>
Creditors: amounts falling due within one year	16	(8,637,016)
<b>Net current (liabilities)</b>		<u>(5,899,273)</u>
<b>Total assets less current liabilities</b>		<u>10,786,799</u>
Creditors: amounts falling due after more than one year	17	(11,228,752)
<b>Provisions for liabilities</b>		
Deferred tax	21	(42,213)
		<u>(42,213)</u>
<b>Net (liabilities)</b>		<u><u>(484,166)</u></u>
<b>Capital and reserves</b>		
Called up share capital	22	1,000
Profit and loss account		(485,166)
		<u><u>(484,166)</u></u>

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

30<sup>th</sup> December 2019.

  
 .....  
 Colin Nigel Dowds  
 Director

  
 .....  
 Sean Mahon  
 Director

The notes on pages 17 to 40 form part of these financial statements.

Telecoms Management Limited

Registered number: NI655480


## Company balance sheet

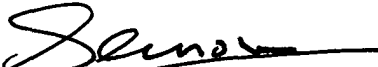
As at 31 March 2019

	Note	2019 £
<b>Fixed assets</b>		
Investments	13	7,019,145
		<u>7,019,145</u>
<b>Current assets</b>		
Debtors: amounts falling due within one year	14	4,064,231
		<u>4,064,231</u>
Creditors: amounts falling due within one year	16	(1,325,904)
		<u></u>
<b>Net current assets</b>		<u>2,738,327</u>
<b>Total assets less current liabilities</b>		<u>9,757,472</u>
Creditors: amounts falling due after more than one year	17	(9,779,426)
		<u></u>
<b>Net assets excluding pension asset</b>		<u>(21,954)</u>
<b>Net (liabilities)</b>		<u>(21,954)</u>
		<u></u>
<b>Capital and reserves</b>		
Called up share capital	22	1,000
Loss for the period		(22,954)
Profit and loss account carried forward		(22,954)
		<u>(21,954)</u>
		<u></u>

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

30th December 2019.

  
Colin Nigel Dowds  
Director

  
Sean Mahon  
Director

The notes on pages 17 to 40 form part of these financial statements.



## Consolidated statement of changes in equity

For the period ended 31 March 2019

	Called up share capital £	Profit and loss account £	Total equity £
<b>Comprehensive income for the period</b>			
Loss for the period	-	(485,166)	(485,166)
Shares issued during the period	1,000	-	1,000
<b>At 31 March 2019</b>	<u>1,000</u>	<u>(485,166)</u>	<u>(484,166)</u>

The notes on pages 17 to 40 form part of these financial statements.

## Company statement of changes in equity

For the period ended 31 March 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Loss for the period	-	(22,954)	(22,954)
Shares issued during the period	1,000	-	1,000
<b>At 31 March 2019</b>	<b>1,000</b>	<b>(22,954)</b>	<b>(21,954)</b>

The notes on pages 17 to 40 form part of these financial statements.

## Consolidated statement of cash flows

For the period ended 31 March 2019

	2019 £
<b>Cash flows from operating activities</b>	
(Loss)/profit for the financial period	(485,166)
<b>Adjustments for:</b>	
Amortisation of intangible assets	715,982
Depreciation of tangible assets	592,916
Interest paid	316,785
Taxation charge	6,817
Decrease in debtors	30,354
(Decrease)/increase in creditors	(296,172)
<b>Net cash generated from operating activities</b>	<u>881,516</u>
<b>Cash flows from investing activities</b>	
Purchase of intangible fixed assets	(23,213)
Purchase of tangible fixed assets	(614,582)
Purchase of subsidiary undertakings	(5,265,112)
Lease interest paid	(90,404)
<b>Net cash from investing activities</b>	<u>(5,993,311)</u>
<b>Cash flows from financing activities</b>	
New secured loans	7,186,383
Repayment of secured loans	(3,549,816)
Other new loans	760,468
Repayment of/new finance leases	356,555
Interest paid	(86,778)
<b>Net cash used in financing activities</b>	<u>4,666,812</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(444,983)</u>
<b>Cash and cash equivalents at the end of period</b>	<u>(444,983)</u>
<b>Cash and cash equivalents at the end of period comprise:</b>	
Cash at bank and in hand	8,738
Bank overdrafts	(453,721)
	<u>(444,983)</u>

The notes on pages 17 to 40 form part of these financial statements.

# Notes to the financial statements

For the period ended 31 March 2019

## **1. General information**

Telecoms Management Limited is a private company, limited by shares and incorporated in Northern Ireland. Its registered office is 107 Huntly Road, Banbridge, BT32 3UR.

The principal activity of the company is that of a holding company.

The principal activity of the group is that of wired and wireless telecommunication services.

## **2. Accounting policies**

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

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

The Group has elected to apply all amendments to FRS 102, as set out in the triennial review published in December 2017, prior to the mandatory adoption for accounting periods beginning on or after 1 January 2019.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

### **2.2 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

### **2.3 Going concern**

After reviewing the Group's forecasts and projections, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

## Notes to the financial statements

For the period ended 31 March 2019

### 2. Accounting policies (continued)

#### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group 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 Group 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 Group 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.

#### 2.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income 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.

#### 2.6 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

# Notes to the financial statements

For the period ended 31 March 2019

## 2. Accounting policies (continued)

### 2.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

### 2.8 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

### 2.9 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income 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.

### 2.10 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the period in which they are incurred.

### 2.11 Pensions

#### Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

## Notes to the financial statements

For the period ended 31 March 2019

### 2. Accounting policies (continued)

#### 2.12 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

#### 2.13 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 the Group's share 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 Consolidated statement of comprehensive income over its useful economic life. This is amortised over the useful life of 10 years.

##### Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years. This is amortised over the useful life of 10 years.

## Notes to the financial statements

For the period ended 31 March 2019

### 2. Accounting policies (continued)

#### 2.14 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 method.

Depreciation is provided on the following basis:

Tenant Improvements	- 4 year useful life
Motor vehicles	- 4 year useful life
Fixtures and fittings	- 4 year useful life
Computer and telecoms equipment	- 2-3 year useful life

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 Consolidated statement of comprehensive income.

#### 2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

#### 2.16 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.



## Notes to the financial statements

For the period ended 31 March 2019

### 2. Accounting policies (continued)

#### 2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

#### 2.18 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### 2.19 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance sheet date.

#### 2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 Consolidated statement of comprehensive income in the year that the Group 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.

#### 2.21 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

## Notes to the financial statements

For the period ended 31 March 2019

### 2. Accounting policies (continued)

#### 2.21 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

## Notes to the financial statements

For the period ended 31 March 2019

### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are required when applying accounting policies. These are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future, which can involve a high degree of judgement or complexity. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

#### a) Carrying value of investments

Investment in subsidiary undertakings is measured at cost less accumulated impairment. Where there is an indication of impairment the recoverable amount is estimated and compared with the carrying amount. The estimate of recoverable amount is considered in light of the trading and balance sheet strength of the subsidiary together with the director's best estimate of future performance of the subsidiary.

#### b) Carrying value of goodwill

The group establishes a reliable estimate of the useful life of goodwill arising on business combinations. This estimate is based on a variety of factors such as expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed to, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

#### c) Determining and reassessing the residual value and useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on future investments, economic utilisation and physical condition of the assets. At each reporting date, fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the Statement of comprehensive income. If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of comprehensive income.

#### d) Recoverability of debtors

Short term debtors are measured at transaction price, less any impairment. Estimates are made in respect to the recoverable value of trade and other debtors. When assessing the level of provisions required, factors including current trading experience, historical experience and the aging profile of debtors are considered.

### 4. Turnover

All turnover arose within the United Kingdom and the entire turnover is attributable to the group's principal activity.

## Notes to the financial statements

For the period ended 31 March 2019

### 5. Operating (loss)

The operating (loss) is stated after charging:

	2019 £
Depreciation charges on owned assets	592,916
Operating lease rental charges	65,651
Amortisation of intangible assets, including goodwill	715,982
Fees payable to the Group's auditor in respect of the audit of the Group financial statements	40,000
Defined contribution pension costs	18,095
	<u>1,091,238</u>

### 6. Employees

Staff costs were as follows:

	Group 2019 £
Wages and salaries	982,951
Social security costs	90,192
Cost of defined contribution scheme	18,095
	<u>1,091,238</u>

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

	2019 No.
Directors	5
Employees	74
	<u>79</u>

# Notes to the financial statements

For the period ended 31 March 2019

## 7. Directors' remuneration

	2019 £
Directors' emoluments	54,263
Company contributions to defined contribution pension schemes	208
	<u>54,471</u>

During the year retirement benefits were accruing to one director in respect of defined contribution pension schemes.

## 8. Interest payable and similar expenses

	2019 £
Bank interest payable	171,528
Other loan interest payable	85,507
Finance leases and hire purchase contracts	90,404
Interest on tax	2,417
	<u>349,856</u>

## 9. Taxation

	2019 £
Corporation tax	
Current tax on profits/(loss) for the year	(5,422)
Adjustments in respect of previous periods	(29,975)
	<u>(35,397)</u>
Total current tax	<u>(35,397)</u>
Deferred Tax	42,214
Total deferred tax	<u>42,214</u>
Taxation on profit on ordinary activities	<u>6,817</u>

## Notes to the financial statements

For the period ended 31 March 2019

### 9. Taxation (continued)

#### Factors affecting tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	2019 £
(Loss)/profit on ordinary activities before tax	(478,349)
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(140,891)
Effects of:	
Non-tax deductible amortisation of goodwill and impairment	123,427
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	40,722
Fixed Asset Adjustments	9,416
Utilisation of tax losses	(19,286)
Adjustments to tax charge in respect of prior periods	(29,975)
Adjustments to deferred tax	23,404
Total tax charge for the period	6,817

#### Factors that may affect future tax charges

There are no factors which may affect future tax charges.

### 10. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The loss after tax for the Company for the year was £22,954.

## Notes to the financial statements

For the period ended 31 March 2019

**11. Intangible assets****Group**

	Website development £	Purchased goodwill £	IT software £	Goodwill on consolidation £	Total £
<b>Cost</b>					
Additions	7,963	-	15,250	14,972,131	14,995,344
On acquisition of subsidiaries	-	1,102,556	105,850	-	1,208,406
<b>At 31 March 2019</b>	<b>7,963</b>	<b>1,102,556</b>	<b>121,100</b>	<b>14,972,131</b>	<b>16,203,750</b>
<b>Amortisation</b>					
Charge for the year	-	83,429	9,740	622,813	715,982
Accumulated amortisation on acquisition	-	223,306	8,059	-	231,365
<b>At 31 March 2019</b>	<b>-</b>	<b>306,735</b>	<b>17,799</b>	<b>622,813</b>	<b>947,347</b>
<b>Net book value</b>					
<b>At 31 March 2019</b>	<b>7,963</b>	<b>795,821</b>	<b>103,301</b>	<b>14,349,318</b>	<b>15,256,403</b>

## Notes to the financial statements

For the period ended 31 March 2019

**12. Tangible fixed assets****Group**

	<b>Tenants Improvements £</b>	<b>Motor vehicles £</b>	<b>Fixtures and fittings £</b>	<b>Computer and telecoms equipment £</b>
<b>Cost or valuation</b>				
Additions	-	21,975	303	592,304
Acquisition of subsidiary	50,383	34,029	12,942	2,561,736
<b>At 31 March 2019</b>	<b>50,383</b>	<b>56,004</b>	<b>13,245</b>	<b>3,154,040</b>
<b>Depreciation</b>				
Charge for the period	909	4,046	759	587,202
Accumulated depreciation on acquisition	47,977	23,940	8,172	1,170,998
<b>At 31 March 2019</b>	<b>48,886</b>	<b>27,986</b>	<b>8,931</b>	<b>1,758,200</b>
<b>Net book value</b>				
<b>At 31 March 2019</b>	<b>1,497</b>	<b>28,018</b>	<b>4,314</b>	<b>1,395,840</b>
				<b>Total £</b>
<b>Cost or valuation</b>				
Additions				614,582
Acquisition of subsidiary				2,659,090
<b>At 31 March 2019</b>				<b>3,273,672</b>
<b>Depreciation</b>				
Charge for the period				592,916
Accumulated depreciation on acquisition				1,251,087
<b>At 31 March 2019</b>				<b>1,844,003</b>
<b>Net book value</b>				
<b>At 31 March 2019</b>				<b>1,429,669</b>



## Notes to the financial statements

For the period ended 31 March 2019

### 12. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2019 £
Tenants Improvements	1,497
	<hr/>
	1,497
	<hr/>

#### Finance leases

Included within the net book value is £1,336,838 relating to assets under hire purchase contracts which is included in Computer and Telecoms Equipment. The depreciation charge in respect of such assets amounted to £581,259.

# Notes to the financial statements

For the period ended 31 March 2019

## 13. Fixed asset investments

### Company

	Investments in subsidiary companies £
Cost or valuation	
Additions	7,019,145
At 31 March 2019	<u>7,019,145</u>

### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Connect Implementation Services Limited	Belfast	Ordinary	100%
Connect Telecoms Holdings Limited	Belfast	Ordinary	100%

Both subsidiary entities are incorporated in Northern Ireland and their principal activity is that of the provision of wired and wireless telecommunication services.

The accounting date of both subsidiaries is 31 March.

The aggregate of the share capital and reserves as at 31 March 2019 and the profit or loss for the period ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	(Loss) for the period £
Connect Implementation Services Limited	(293,967)	(29,538)
Connect Telecoms Holdings Limited	(708,407)	(15,059)

# Notes to the financial statements

For the period ended 31 March 2019

## 14. Debtors

	Group 2019 £	Company 2019 £
Trade debtors	1,581,125	-
Amounts owed by group undertakings	-	4,056,181
Other debtors	204,863	3,665
Prepayments and accrued income	938,632	-
Other taxation and social security	4,385	4,385
	<u>2,729,005</u>	<u>4,064,231</u>

## 15. Cash and cash equivalents

	Group 2019 £	Company 2019 £
Cash at bank and in hand	8,738	-
Less: bank overdrafts	(453,720)	(249,986)
	<u>(444,982)</u>	<u>(249,986)</u>

## Notes to the financial statements

For the period ended 31 March 2019

**16. Creditors: Amounts falling due within one year**

	Group 2019 £	Company 2019 £
Bank overdrafts	453,720	249,986
Bank loans	1,000,756	1,000,756
Other loans	164,706	-
Trade creditors	1,175,304	43,038
Provisions	948,000	-
Corporation tax	2,941	-
Other taxation and social security	1,677,507	-
Obligations under finance lease and hire purchase contracts	1,637,762	-
Other creditors	1,293,406	-
Accruals and deferred income	282,914	32,124
	<u>8,637,016</u>	<u>1,325,904</u>

Amounts due under hire purchase and finance lease agreements are secured against the assets to which they relate.

Details of security held over the bank loans and overdrafts are disclosed at note 18.

The directors assessed two agreements one of the subsidiaries Connect Communication Solutions Limited had entered in to on 31 May 2017. At year end the directors believe the contracts to be onerous under FRS102 and a provision is made against these. This will be settled against payments made over the remaining life of the contract.

**17. Creditors: Amounts falling due after more than one year**

	Group 2019 £	Company 2019 £
Bank loans	6,259,731	6,259,731
Other loans	3,781,924	3,519,695
Obligations under finance leases and hire purchase contracts	670,541	-
Provisions	148,000	-
Other creditors	368,556	-
	<u>11,228,752</u>	<u>9,779,426</u>

# Notes to the financial statements

For the period ended 31 March 2019

## 18. Loans

Analysis of the maturity of loans is given below:

	Group 2019 £	Company 2019 £
<b>Amounts falling due within one year</b>		
Bank loans	1,000,756	1,000,756
Other loans	164,706	-
<b>Amounts falling due 1-2 years</b>		
Bank loans	984,375	984,375
Other loans	164,705	-
<b>Amounts falling due 2-5 years</b>		
Bank loans	5,275,356	5,275,356
Other loans	3,617,219	3,519,695
	<b>11,207,117</b>	<b>10,780,182</b>

The company and group have a number of loans whose interest rates range from 3.5% to 20.76%.

The loans are due for repayment in monthly, quarterly and annual installments with the latest fixed maturity date in 2023.

The security on the bank loans and overdrafts within creditors is detailed below.

The loan facility issued by First Trust Bank is secured as follows:

- Mortgage debenture incorporating fixed and floating charges over all Group assets;
- Charges over the shares issued by Telecoms Management Limited to its shareholders;
- Letters of subordination in respect of shareholders loans given in favour of Telecoms Management Limited;
- Personal guarantee executed by a director, in support of the liabilities of Telecoms Management Limited. The amount recoverable is limited to any shortfall from the amount recovered under the Corporate Guarantee and the Legal Charge (see below) up to a maximum amount of £2,500,000;
- Corporate guarantee executed by Huntly Developments Limited, in support of the liabilities of Telecoms Management Limited. This guarantee is collateralised by a Legal Charge over a property.
- Unlimited cross company guarantees executed by all group companies secured by mortgage debentures incorporating a fixed, bond and floating charge over all assets present and future of various group companies; a charge over the shares in a number of group companies executed by Telecoms Management Limited.

## Notes to the financial statements

For the period ended 31 March 2019

**19. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	Group 2019 £
Within one year	1,637,762
Between 1-5 years	670,541
	<u>2,308,303</u>

**20. Financial instruments**

	Group 2019 £	Company 2019 £
Financial assets measured at fair value through profit or loss	11,401	-
Financial assets that are debt instruments measured at amortised cost	1,515,988	7,022,810
Financial liabilities measured at amortised cost	9,100,301	(11,073,206)
	<u>10,627,690</u>	<u>(4,050,396)</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand and interest cap.

Financial assets measured at amortised cost comprise investments, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, bank loans, bank overdrafts and accruals.

**21. Deferred taxation**

Group

	2019 £
Charged to profit or loss	(42,213)
At end of year	<u>(42,213)</u>

## **Notes to the financial statements**

**For the period ended 31 March 2019**

### **21. Deferred taxation (continued)**

	<b>Group 2019 £</b>
Accelerated capital allowances	<b>(42,213)</b>
	<b><u>(42,213)</u></b>

## Notes to the financial statements

For the period ended 31 March 2019

### **22. Share capital**

	2019 £
Allotted, called up and fully paid	
1,000 Ordinary shares of £1.00 each	<u>1,000</u>

The company was incorporated on 4 September 2018 and at this date 1,000 ordinary shares of nominal value £1 each were issued.

### **23. Reserves**

#### **Called up share capital**

This represents the nominal value of shares that have been issued.

#### **Profit & loss account**

This includes all current period retained profits and losses.



# Notes to the financial statements

For the period ended 31 March 2019

## 24. Business combinations

### Acquisition of Connect Implementation Services Limited

On 31 October 2018 Telecoms Management Limited purchased the entire share capital of Connect Implementation Services Limited for a consideration of £1.4m satisfied in cash. The investment of Connect Implementation Services Limited has been included in the company's balance sheet at its fair value at the date of acquisition.

The analysis of the acquisition of Connect Implementation Services Limited is as follows:

### Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustment £	Fair value £
Debtors	24,507	-	24,507
Cash at bank and in hand	1,907	-	1,907
<b>Total assets</b>	<b>26,414</b>	<b>-</b>	<b>26,414</b>
Due within one year	(290,843)	-	(290,843)
<b>Total identifiable net liabilities</b>	<b>(264,429)</b>	<b>-</b>	<b>(264,429)</b>
<b>Goodwill</b>			<b>1,671,429</b>
<b>Total purchase consideration</b>			<b>1,407,000</b>
<b>Consideration</b>			
			£
Debt instruments			1,400,000
Directly attributable costs			7,000
<b>Total purchase consideration</b>			<b>1,407,000</b>

## Notes to the financial statements

**For the period ended 31 March 2019**

### Acquisition of Connect Telecoms Holding Limited

On 31 October 2018 Telecoms Management Limited purchased the entire share capital of Connect Telecoms Holdings Limited for a consideration of £4.7m satisfied in cash. The investment of Connect Telecoms Holdings Limited has been included in the company's balance sheet at its fair value at the date of acquisition.

The analysis of the acquisition of Connect Telecoms Holding Limited is as follows:

#### Fixed assets

<b>Tangible</b>	<b>1,407,341</b>	<b>-</b>	<b>1,407,341</b>
<b>Intangible</b>	<b>977,040</b>	<b>-</b>	<b>977,040</b>
	<b>2,384,381</b>	<b>-</b>	<b>2,384,381</b>
<b>Debtors</b>	<b>2,901,795</b>	<b>-</b>	<b>2,901,795</b>
<b>Cash at bank and in hand</b>	<b>(168,698)</b>	<b>-</b>	<b>(168,698)</b>
<b>Total assets</b>	<b>5,117,478</b>	<b>-</b>	<b>5,117,478</b>
<b>Due within one year</b>	<b>(8,779,207)</b>	<b>-</b>	<b>(8,779,207)</b>
<b>Due after more than one year</b>	<b>(4,002,212)</b>	<b>-</b>	<b>(4,002,212)</b>
<b>Total identifiable net liabilities</b>	<b>(7,663,941)</b>	<b>-</b>	<b>(7,663,941)</b>

<b>Goodwill</b>	<b>13,276,086</b>
<b>Total Purchase Consideration</b>	<b>5,612,145</b>

	<b>£</b>
<b>Consideration</b>	
<b>Cash</b>	<b>4,677,000</b>
<b>Other consideration</b>	<b>600,000</b>
<b>Directly attributable costs</b>	<b>335,145</b>
<b>Total purchase consideration</b>	<b>5,612,145</b>

## Notes to the financial statements

For the period ended 31 March 2019

### 25. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension charge of £18,095 represents contributions payable by the Group to the fund in the period.

An amount of £nil has been accrued in respect of pension liabilities at the year end date and is included within the other creditors balance.

### 26. Commitments under operating leases

At 31 March 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £
Not later than 1 year	70,699
Later than 1 year and not later than 5 years	123,025
	<hr/>
	193,724
	<hr/>

### 27. Related party transactions

The company has availed of the exemptions in FRS102 Section 33, Paragraph 33.1A which allows non-disclosure of transactions between two or more members of a Group, provided that any subsidiary which is party to the transaction is wholly owned by such a member.

### 28. Controlling party

The controlling party is Caplu Limited by virtue of its shareholding.