

AUDIOTEL INTERNATIONAL LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2020



AUDIOTEL INTERNATIONAL LIMITED
REGISTERED NUMBER: 01557063

BALANCE SHEET
AS AT 31 MARCH 2020


	Note	2020 £	2019 £
Fixed assets			
Tangible assets	5	5,000	8,178
Current assets			
Stocks	6	292,153	281,161
Debtors: amounts falling due within one year	7	93,049	608,949
Cash at bank and in hand	8	534	933
		<u>385,736</u>	<u>891,043</u>
Creditors: amounts falling due within one year	9	(3,739,806)	(2,780,276)
Net current liabilities		<u>(3,354,070)</u>	<u>(1,889,233)</u>
Net liabilities		<u>(3,349,070)</u>	<u>(1,881,055)</u>
Capital and reserves			
Called up share capital	10	69,114	69,114
Share premium account	11	4,168	4,168
Profit and loss account	11	(3,422,352)	(1,954,337)
		<u>(3,349,070)</u>	<u>(1,881,055)</u>

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

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

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 August 2020.



W Adams
 Director

The notes on pages 2 to 9 form part of these financial statements.

AUDIOTEL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. General information

The Company is a private company limited by shares and incorporated in England. The Company's registered office is St. Thomas House, Mansfield Road, Derby, England, DE1 3TN. The Company registration number is 01557063. The nature of the Company's operations and principal activities is the design and manufacture of electronics.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has prepared its financial statements to the nearest £.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Simpatica Group Limited as at 31st March 2020 and these financial statements may be obtained from Companies House.

2.3 Going concern

The company is a member of the Simpatica Group, and the Group has confirmed its ongoing financial support of the company, and that it will not call for repayment any intercompany loans until cashflow permits. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.5 Revenue

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

Sale of goods

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

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

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.7 Research and development

Research and development expenditure is written off to the profit and loss account in the year in which it is incurred.

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss 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 Company in independently administered funds.

2.10 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

AUDIOTEL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.11 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.

The estimated useful lives range as follows:

Computer Software	-	4	years
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2.12 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:

Fixtures and fittings	- 20%-50% per annum on cost
Leasehold improvements	- Over the life of the lease

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 profit or loss.

2.13 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis, after making allowances for obsolete and slow-moving stocks.

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

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.16 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.

2.17 Creditors

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

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.

2.18 Financial instruments

The Company 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.

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 Company would receive for the asset if it were to be sold at the balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 32 (2019 - 25).

AUDIOTEL INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

4. Intangible assets

	Computer Software £
Cost	
Additions	10,255
At 31 March 2020	<u>10,255</u>
Amortisation	
Charge for the year on owned assets	2,350
Impairment charge	7,905
At 31 March 2020	<u>10,255</u>
Net book value	
At 31 March 2020	<u><u>-</u></u>
At 31 March 2019	<u><u>-</u></u>

AUDIOTEL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

5. Tangible fixed assets

	Leasehold improvements £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 April 2019	1,061,675	1,812,589	2,874,264
Additions	-	17,720	17,720
At 31 March 2020	<u>1,061,675</u>	<u>1,830,309</u>	<u>2,891,984</u>
Depreciation			
At 1 April 2019	1,061,675	1,804,411	2,866,086
Charge for the year on owned assets	-	10,233	10,233
Impairment charge	-	10,665	10,665
At 31 March 2020	<u>1,061,675</u>	<u>1,825,309</u>	<u>2,886,984</u>
Net book value			
At 31 March 2020	<u>-</u>	<u>5,000</u>	<u>5,000</u>
At 31 March 2019	<u>-</u>	<u>8,178</u>	<u>8,178</u>

6. Stocks

	2020 £	2019 £
Raw materials	52,927	51,009
Work in progress	81,695	59,492
Finished goods	157,531	170,660
	<u>292,153</u>	<u>281,161</u>

The carrying value of stocks are stated net of impairment losses totalling £37,540 (2019 - £NIL) . Impairment losses totalling £37,540 (2019 - £NIL) were recognised in profit and loss. Further details of the impairments made to stock can be found in note 4.

AUDIOTEL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

7. Debtors

	2020 £	2019 £
Trade debtors	20,651	71,137
Amounts owed by group undertakings	-	462,325
Other debtors	31,618	13,283
Prepayments and accrued income	40,780	62,204
	<u>93,049</u>	<u>608,949</u>

An impairment loss £12,509 (2019: £15,934) was recognised in administrative expenses against trade debtors during the year due to bad and doubtful debts.

8. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>534</u>	<u>933</u>

9. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	210,269	119,096
Amounts owed to group undertakings	3,416,556	2,409,614
Other taxation and social security	17,998	19,351
Other creditors	18,095	6,970
Accruals and deferred income	76,888	225,245
	<u>3,739,806</u>	<u>2,780,276</u>

10. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
69,114 (2019 - 69,114) Ordinary Shares shares of £1.00 each	<u>69,114</u>	<u>69,114</u>

AUDIOTEL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

11. Reserves

Share premium account

Represents the difference between consideration received and the nominal value of issued shares, less any related issue costs incurred.

Profit and loss account

Represents the cumulative retained profits and losses.

12. Contingent liabilities

The Company is part of a composite guarantee whereby liabilities are secured over the assets of the group. As at 31 March 2020 the Company's liability in respect of this guarantee is £6,309,719 (2019: £5,608,123).

13. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £21,560 (2019 - £12,886). Contributions totalling £17,844 (2019 - £6,970) were payable to the fund at the balance sheet date and are included in creditors.

14. Related party transactions

As the company is a wholly owned subsidiary of a company whose consolidated accounts include the results of the subsidiary and are publicly available, the company has taken advantage of the FRS 102 Section 33.1a exemption from disclosing transactions with group undertakings.

As at the year end a balance of £nil (2019: £455,988) was due from companies under common control. This balance is net of provisions for impairment which has been recognised through the profit and loss account totalling £1,137,609 (2019: £678,519).

15. Controlling party

The immediate and ultimate parent undertaking is Simpatica Group Limited, a company registered in England and Wales. This company heads the largest and smallest group in which the company's results are consolidated. Copies of the financial statements of Simpatica Group Limited can be obtained from Companies House.

16. Auditors' information

The auditors' report on the financial statements for the year ended 31 March 2020 was unqualified.

The audit report was signed on 27 August 2020 by James Delve (Senior Statutory Auditor) on behalf of Smith Cooper Audit Limited.