

SCL Communications Ltd

Chartered Accountants' report to the board of directors on the preparation of the unaudited statutory accounts of SCL Communications Ltd for the year ended 31 March 2017

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of SCL Communications Ltd for the year ended 31 March 2017 which comprise of the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at www.icaew.com/en/members/regulations-standards-and-guidance

This report is made solely to the Board of Directors of SCL Communications Ltd, as a body, in accordance with the terms of our engagement letter dated 1 September 2017. Our work has been undertaken solely to prepare for your approval the accounts of SCL Communications Ltd and state those matters that we have agreed to state to the Board of Directors of SCL Communications Ltd, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than SCL Communications Ltd and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that SCL Communications Ltd has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of SCL Communications Ltd. You consider that SCL Communications Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of SCL Communications Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

PW Accountants Ltd
Chartered Accountants
82b High Street
Sawston
Cambridge
CB22 3HJ

9 November 2017

SCL Communications Ltd**Registered number:** 03518169**Balance Sheet****as at 31 March 2017**

	Notes	2017	2016
		£	£
Fixed assets			
Tangible assets	5	914,874	914,204
Current assets			
Debtors	6	1,053,524	1,057,178
Cash at bank and in hand		6,190	16,366
		<u>1,059,714</u>	<u>1,073,544</u>
Creditors: amounts falling due within one year	7	(550,460)	(617,802)
Net current assets		<u>509,254</u>	<u>455,742</u>
Total assets less current liabilities		<u>1,424,128</u>	<u>1,369,946</u>
Creditors: amounts falling due after more than one year	8	(58,725)	(53,130)
Net assets		<u>1,365,403</u>	<u>1,316,816</u>
Capital and reserves			
Called up share capital		100	100
Revaluation reserve	10	33,094	33,094
Profit and loss account		1,332,209	1,283,622
Shareholder's funds		<u>1,365,403</u>	<u>1,316,816</u>

The director is satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The member has not required the company to obtain an audit in accordance with section 476 of the Act.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared and delivered in accordance with the special provisions applicable to companies subject to the small companies regime. The profit and loss account has not been delivered to the Registrar of Companies.

Mr S Longford

Director

Approved by the board on 9 November 2017

SCL Communications Ltd
Notes to the Accounts
for the year ended 31 March 2017

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (as applied to small entities by section 1A of the standard).

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Investment properties	Not depreciated
Motor vehicles	over 4 years
Fixtures, fittings and equipment	over 4 years

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that

are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

2 Employees	2017	2016
	Number	Number
Average number of persons employed by the company	<u>59</u>	<u>58</u>

3 Interest payable	2017	2016
	£	£
Mortgage interest on USA investment property	2,467	1,932
Bank interest	2,602	4,308
	<u>5,069</u>	<u>6,240</u>

The company has a mortgage on the USA investment property payable over 30 years at a variable interest rate.

4 Taxation	2017	2016
	£	£
UK corporation tax	<u>11,979</u>	<u>42,180</u>

5 Tangible fixed assets

	Investment properties	Motor vehicles	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 April 2016	906,851	10,865	32,253	949,969
Additions	-	5,950	-	5,950
At 31 March 2017	<u>906,851</u>	<u>16,815</u>	<u>32,253</u>	<u>955,919</u>
Depreciation				
At 1 April 2016	-	10,364	25,401	35,765

Charge for the year	-	1,488	3,792	5,280
At 31 March 2017	-	11,852	29,193	41,045
Net book value				
At 31 March 2017	906,851	4,963	3,060	914,874
At 31 March 2016	906,851	501	6,852	914,204

The company has invested in an overseas property, which generates rental income for the company.

The company has also invested in four UK properties. All investment properties generate rental income for the company.

6 Debtors	2017	2016
	£	£
Amounts owed by group undertakings and undertakings in which the company has a participating interest	1,052,500	1,052,500
Other debtors	1,024	4,678
	<u>1,053,524</u>	<u>1,057,178</u>

7 Creditors: amounts falling due within one year	2017	2016
	£	£
Bank overdraft (secured)	119,095	93,980
Mortgage on investment property (secured)	2,250	1,961
Trade creditors	100,373	108,003
Directors loan account	600	1,682
Amounts owed to group undertakings and undertakings in which the company has a participating interest	68,865	143,983
Corporation tax	11,979	42,180
Other taxes and social security costs	196,048	180,013
Accrued management charge	50,000	45,000
Other creditors	1,250	1,000
	<u>550,460</u>	<u>617,802</u>

The bank overdraft is secured in the form of a first legal charge over the UK investment properties.

The mortgage is secured on the USA investment property.

8 Creditors: amounts falling due after one year	2017	2016
	£	£
Mortgage on investment property (secured)	<u>58,725</u>	<u>53,130</u>

9 Loans	2017	2016
	£	£

Creditors include:

Instalments falling due for payment after more than five years	<u>49,726</u>	<u>45,286</u>
Secured mortgage	<u>60,975</u>	<u>55,091</u>

10 Revaluation reserve

	2017	2016
	£	£
At 1 April 2016	33,094	33,094
At 31 March 2017	<u>33,094</u>	<u>33,094</u>

11 Other information

SCL Communications Ltd is a private company limited by shares and incorporated in England.
Its registered office is:

82b High Street
Sawston
Cambridge
CB22 3HJ

12 Related parties

During the year the company was charged management charges amounting to £245,000 (2016: £180,000) from SCL Ventures Ltd.

At the year end £68,865 (2016: £143,983) was owed to group companies. A total of £1,052,500 (2016: £1,052,500) was owed to the company from SCL Ventures Ltd.

15 Ultimate controlling party

The ultimate controlling party is SCL Ventures Ltd, company number 09144589, a company registered in the UK.

The company is controlled by Mr S Longford who is a director of the parent company.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.