

Registered number: 05424113

SPLENDID COMMUNICATIONS LIMITED

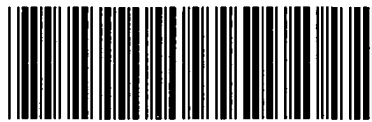
UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2018

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SPLENDID COMMUNICATIONS LIMITED
REGISTERED NUMBER:05424113

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	5	55,722	75,697
Current assets			
Debtors: amounts falling due within one year	6	(713,554)	(1,055,278)
Cash at bank and in hand	7	1,794,989	1,211,304
		<u>2,508,543</u>	<u>2,266,582</u>
Creditors: amounts falling due within one year	8	(1,407,382)	(1,587,524)
Net current assets		<u>1,101,161</u>	<u>679,058</u>
Total assets less current liabilities		<u>1,156,883</u>	<u>754,755</u>
Debtors: amounts falling due in more than one year	6	55,130	55,130
Provisions for liabilities			
Deferred tax	9	(910)	(3,960)
		<u>(910)</u>	<u>(3,960)</u>
Net assets		<u><u>1,211,103</u></u>	<u><u>805,925</u></u>
Capital and reserves			
Called up share capital		125	125
Share premium account		7,874	7,874
Profit and loss account		<u>1,203,104</u>	<u>797,926</u>
		<u><u>1,211,103</u></u>	<u><u>805,925</u></u>

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

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements. The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.


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

The Company has opted not to file the statement of 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 17/09/19

A J Samways
Director

The notes on pages 3 to 10 form part of these financial statements.



17/9/19

SPLENDID COMMUNICATIONS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2017	125	7,874	681,374	689,373
Comprehensive income for the year				
Profit for the year	-	-	372,089	372,089
Total comprehensive income for the year	-	-	372,089	372,089
Dividends: Equity capital	-	-	(250,000)	(250,000)
Share option credit	-	-	(5,537)	(5,537)
Total transactions with owners	-	-	(255,537)	(255,537)
At 1 January 2018	125	7,874	797,926	805,925
Comprehensive income for the year				
Profit for the year	-	-	680,178	680,178
Total comprehensive income for the year	-	-	680,178	680,178
Dividends: Equity capital	-	-	(275,000)	(275,000)
Total transactions with owners	-	-	(275,000)	(275,000)
At 31 December 2018	125	7,874	1,203,104	1,211,103

The notes on pages 3 to 10 form part of these financial statements.

SPLENDID COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

Splendid Communications Limited is a private limited company incorporated and domiciled in England and Wales.

The registered address and principal place of business is 69-85 Tabernacle Street, London, EC2A 4BD.

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

The following principal accounting policies have been applied:

2.2 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Rendering of services

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

2.3 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.

SPLENDID COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

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:

Long-term leasehold property	- 20% straight line
Fixtures and fittings	- between 25% and 33% straight line
Office equipment	- between 25% and 33% straight line
Computer equipment	- between 25% and 33% straight line

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

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

2.4 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.

2.5 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.

2.6 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.7 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 the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.8 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.9 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of Comprehensive Income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of Comprehensive Income is charged with fair value of goods and services received.

SPLENDID COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.10 Operating leases

Rentals paid under operating leases are charged to the 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.

2.11 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 the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.12 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.13 Provisions for liabilities

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

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position 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 Statement of Financial Position.

SPLENDID COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the 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 reporting date in the countries where the Company operates and generates income.

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

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

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

2.15 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.

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

Estimates and judgments 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. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates. The directors consider there to be no critical estimates and judgments applicable to the financial statements.

4. Employees

The average monthly number of employees, including directors, during the year was 30 (2017 - 38).

SPLENDID COMMUNICATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2018	17,172	44,107	29,102	121,338	211,719
Additions	-	1,060	1,711	15,057	17,828
Disposals	-	-	-	(11,811)	(11,811)
At 31 December 2018	17,172	45,167	30,813	124,584	217,736
Depreciation					
At 1 January 2018	3,653	26,555	23,767	82,046	136,021
Charge for the year on owned assets	3,434	5,711	4,099	23,779	37,023
Disposals	-	-	-	(11,030)	(11,030)
At 31 December 2018	7,087	32,266	27,866	94,795	162,014
Net book value					
At 31 December 2018	10,085	12,901	2,947	29,789	55,722
At 31 December 2017	13,519	17,552	5,335	39,291	75,697

SPLENDID COMMUNICATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. Debtors

	2018 £	2017 £
Due after more than one year		
Other debtors	55,130	55,130
	<u>55,130</u>	<u>55,130</u>
Due within one year		
Trade debtors	499,211	919,448
Amounts owed by group undertakings	15,927	14,927
Other debtors	4,121	3,809
Prepayments and accrued income	194,295	117,094
	<u>713,554</u>	<u>1,055,278</u>

7. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	1,794,989	1,211,304
	<u>1,794,989</u>	<u>1,211,304</u>

8. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	112,421	185,834
Amounts owed to group undertakings	6,500	2,500
Corporation tax	167,894	91,597
Other taxation and social security	187,652	221,928
Other creditors	67,815	49,416
Accruals and deferred income	865,100	1,036,249
	<u>1,407,382</u>	<u>1,587,524</u>

SPLENDID COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

9. Deferred taxation

	2018 £	2017 £
At beginning of year	(3,960)	(3,166)
Released/Charged to profit or loss	3,050	(794)
At end of year	(910)	(3,960)

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Timing differences	(910)	(3,166)
Tax losses carried forward	-	(794)

10. Share based payments

Options under the Enterprise Management Incentive Scheme over 800 ordinary shares of £1.00 each exist at the statement of financial position date within Splendid Communications Group Limited. The cost of the share option scheme is borne by Splendid Communications Limited, the company in which the employees granted share options are employed.

Share options outstanding at 31 December 2018 had a weighted average exercise price of £62.68.

There are no performance conditions attached to any of the share options granted up to the statement of financial position date, other than continued employment up to the exercise date.

11. Controlling party

The immediate parent undertaking is Splendid Communications Group Limited. A J Samways is the ultimate controlling party by virtue of his majority shareholding in Splendid Communications Group Limited.