

Registered number: 05424113

SPLENDID COMMUNICATIONS LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



SPLENDID COMMUNICATIONS LIMITED
REGISTERED NUMBER: 05424113

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	5	43,637	69,482
Current assets			
Debtors: amounts falling due within one year	6	1,256,248	942,713
Cash at bank and in hand	7	2,381,077	2,301,749
Debtors: amounts falling due after more than one year	6	80,000	80,000
		<u>3,717,325</u>	<u>3,324,462</u>
Creditors: amounts falling due within one year	8	<u>(1,569,479)</u>	<u>(1,410,284)</u>
Net current assets		<u>2,147,846</u>	<u>1,914,178</u>
Total assets less current liabilities		<u>2,191,483</u>	<u>1,983,660</u>
Provisions for liabilities			
Deferred tax	9	(15,419)	(7,652)
Net assets		<u><u>2,176,064</u></u>	<u><u>1,976,008</u></u>
Capital and reserves			
Called up share capital		125	125
Share premium account		7,874	7,874
Profit and loss account		<u>2,168,065</u>	<u>1,968,009</u>
		<u><u>2,176,064</u></u>	<u><u>1,976,008</u></u>

SPLENDID COMMUNICATIONS LIMITED
REGISTERED NUMBER: 05424113

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

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 the 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 by:

A J Samways
Director

Date: 13/10/22

The notes on pages 4 to 11 form part of these financial statements.

SPLENDID COMMUNICATIONS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2020	125	7,874	1,665,487	1,673,486
Comprehensive income for the year				
Profit for the year	-	-	411,209	411,209
Total comprehensive income for the year	-	-	411,209	411,209
Dividends: Equity capital	-	-	(110,000)	(110,000)
Share option credit	-	-	1,313	1,313
Total transactions with owners	-	-	(108,687)	(108,687)
At 1 January 2021	125	7,874	1,968,009	1,976,008
Comprehensive income for the year				
Profit for the year	-	-	506,665	506,665
Total comprehensive income for the year	-	-	506,665	506,665
Dividends: Equity capital	-	-	(308,500)	(308,500)
Share option credit	-	-	1,891	1,891
At 31 December 2021	125	7,874	2,168,065	2,176,064

The notes on pages 4 to 11 form part of these financial statements.

SPLENDID COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 1 Finsbury Market, London, EC2A 4BN.

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 2021**

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 profit or loss.

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.

SPLENDID COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 profit or loss 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 profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting 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 profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

SPLENDID COMMUNICATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.10 Operating leases**

Rentals paid under operating leases are charged to profit or loss 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 profit or loss 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 profit or loss 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 profit or loss 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 reporting 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.

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 40 (2020 - 40).

SPLENDID COMMUNICATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost					
At 1 January 2021	17,172	47,197	33,372	105,093	202,834
Additions	-	882	-	12,943	13,825
Disposals	-	-	-	(848)	(848)
At 31 December 2021	17,172	48,079	33,372	117,188	215,811
Depreciation					
At 1 January 2021	13,955	41,235	23,693	54,469	133,352
Charge for the year on owned assets	2,967	3,478	4,629	28,242	39,316
Disposals	-	-	-	(494)	(494)
At 31 December 2021	16,922	44,713	28,322	82,217	172,174
Net book value					
At 31 December 2021	250	3,366	5,050	34,971	43,637
At 31 December 2020	3,217	5,962	9,679	50,624	69,482

SPLENDID COMMUNICATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Debtors

	2021 £	2020 £
Due after more than one year		
Other debtors	80,000	80,000
	<u>80,000</u>	<u>80,000</u>
Due within one year		
Trade debtors	999,637	753,336
Amounts owed by group undertakings	78,783	18,585
Other debtors	47,518	90,769
Prepayments and accrued income	130,310	80,023
	<u>1,256,248</u>	<u>942,713</u>

7. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	2,381,077	2,301,749
	<u>2,381,077</u>	<u>2,301,749</u>

8. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	69,873	92,746
Amounts owed to group undertakings	-	3,600
Corporation tax	158,481	107,491
Other taxation and social security	204,964	341,540
Other creditors	60,723	19,081
Accruals and deferred income	1,075,438	845,826
	<u>1,569,479</u>	<u>1,410,284</u>

SPLENDID COMMUNICATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Deferred taxation

	2021 £	2020 £
At beginning of year	(7,652)	(9,102)
Released/Charged to profit or loss	(7,767)	1,450
At end of year	<u>(15,419)</u>	<u>(7,652)</u>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	<u>(15,419)</u>	<u>(7,652)</u>

10. Share based payments

Options under the Enterprise Management Incentive Scheme over 2,100 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 2021 had a weighted average exercise price of £94.18.

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.