

Airfox Networks Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 30 June 2017

Gold Accountants Limited
24 Southfield
Polegate
East Sussex
BN26 5LX

Airfox Networks Limited

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Airfox Networks Limited

Company Information

Directors	Mr GA Brewer Mr S Tune
Registered office	10 Hobart Quay Eastbourne East Sussex BN23 5PB
Accountants	Gold Accountants Limited 24 Southfield Polegate East Sussex BN26 5LX

Airfox Networks Limited

Directors' Report for the Year Ended 30 June 2017

The directors present their report and the financial statements for the year ended 30 June 2017.

Directors of the company

The directors who held office during the year were as follows:

Mr GA Brewer

Mr S Tune

Principal activity

The principal activity of the company is Mail order retail sales

Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 16 March 2018 and signed on its behalf by:

.....

Mr GA Brewer

Director

**Accountants' Report to the Board of Directors on the Preparation of the Unaudited Statutory
Accounts of
Airfox Networks Limited
for the Year Ended 30 June 2017**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Airfox Networks Limited for the year ended 30 June 2017 as set out on pages 4 to 11 from the company's accounting records and from information and explanations you have given us.

This report is made solely to the Board of Directors of Airfox Networks Limited, as a body, in accordance with the terms of our engagement letter dated 10 October 2010. Our work has been undertaken solely to prepare for your approval the accounts of Airfox Networks Limited and state those matters that we have agreed to state to the Board of Directors of Airfox Networks Limited, as a body, in this report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Airfox Networks Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Airfox Networks Limited 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 Airfox Networks Limited. You consider that Airfox Networks Limited 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 Airfox Networks Limited. 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.

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Gold Accountants Limited
24 Southfield
Polegate
East Sussex
BN26 5LX

16 March 2018

Airfox Networks Limited

Profit and Loss Account for the Year Ended 30 June 2017

	Note	Total 30 June 2017 £	Total 30 June 2016 £
Turnover		167,204	156,546
Cost of sales		<u>(11,018)</u>	<u>(28,179)</u>
Gross profit		156,186	128,367
Administrative expenses		<u>(111,600)</u>	<u>(101,234)</u>
Operating profit		<u>44,586</u>	<u>27,133</u>
Other interest receivable and similar income		<u>4</u>	<u>5</u>
		<u>4</u>	<u>5</u>
Profit before tax		44,590	27,138
Taxation		<u>(339)</u>	<u>-</u>
Profit for the financial year		<u><u>44,251</u></u>	<u><u>27,138</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 8 to 11 form an integral part of these financial statements.

Airfox Networks Limited

Statement of Comprehensive Income for the Year Ended 30 June 2017

	Note	2017 £	2016 £
Profit for the year		<u>44,251</u>	<u>27,138</u>
Total comprehensive income for the year		<u><u>44,251</u></u>	<u><u>27,138</u></u>

The notes on pages 8 to 11 form an integral part of these financial statements.

Airfox Networks Limited

(Registration number: 05476612)

Balance Sheet as at 30 June 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	<u>3</u>	12,243	13,556
Current assets			
Stocks	<u>4</u>	-	3,500
Debtors	<u>5</u>	29,929	85,958
Cash at bank and in hand		61,178	13,475
		91,107	102,933
Creditors: Amounts falling due within one year	<u>6</u>	(4,228)	8,382
Net current assets		86,879	111,315
Net assets		99,122	124,871
Capital and reserves			
Called up share capital		2	2
Profit and loss account		99,120	124,869
Total equity		99,122	124,871

For the financial year ending 30 June 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on 16 March 2018 and signed on its behalf by:

.....

Mr S Tune

Director

The notes on pages 8 to 11 form an integral part of these financial statements.
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Airfox Networks Limited

Statement of Changes in Equity for the Year Ended 30 June 2017

	Share capital £	Profit and loss account £	Total £
At 1 July 2016	2	124,869	124,871
Profit for the year	-	44,251	44,251
Total comprehensive income	-	44,251	44,251
Dividends	-	(70,000)	(70,000)
At 30 June 2017	2	99,120	99,122

	Share capital £	Profit and loss account £	Total £
At 1 July 2015	2	167,731	167,733
Profit for the year	-	27,138	27,138
Total comprehensive income	-	27,138	27,138
Dividends	-	(70,000)	(70,000)
At 30 June 2016	2	124,869	124,871

The notes on pages 8 to 11 form an integral part of these financial statements.

Airfox Networks Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

10 Hobart Quay
Eastbourne
East Sussex
BN23 5PB

These financial statements were authorised for issue by the Board on 16 March 2018.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated

useful lives, as follows:

Asset class

Plant and Machinery

Depreciation method and rate

25% reducing balance

Airfox Networks Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

Furniture and Fittings	25% reducing balance
Motor Vehicles	25% reducing balance
Office Equipment	25% straight line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Airfox Networks Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

3 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation				
At 1 July 2016	14,112	11,129	66,190	91,431
Additions	2,435	-	-	2,435
At 30 June 2017	16,547	11,129	66,190	93,866
Depreciation				
At 1 July 2016	8,159	11,129	58,587	77,875
Charge for the year	1,847	-	1,901	3,748
At 30 June 2017	10,006	11,129	60,488	81,623
Carrying amount				
At 30 June 2017	6,541	-	5,702	12,243
At 30 June 2016	5,953	-	7,603	13,556

Included within the net book value of land and buildings above is £Nil (2016 - £Nil) in respect of freehold land and buildings.

4 Stocks

	2017 £	2016 £
Finished goods and goods for resale	-	3,500

5 Debtors

	2017 £	2016 £
Trade debtors	1,508	775
Other debtors	28,421	85,183
Total current trade and other debtors	29,929	85,958

6 Creditors

Airfox Networks Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

	Note	2017 £	2016 £
Due within one year			
Bank loans and overdrafts	<u>7</u>	210	-
Trade creditors		4,083	6,039
Taxation and social security		(535)	504
Other creditors		470	(14,925)
		<u>4,228</u>	<u>(8,382)</u>

7 Loans and borrowings

	2017 £	2016 £
Current loans and borrowings		
Bank borrowings	<u>210</u>	<u>-</u>

8 Dividends

Interim dividends paid

	2017 £	2016 £
Interim dividend of £17,500 per each Ordinary shares share	70,000	70,000

Airfox Networks Limited

Detailed Profit and Loss Account for the Year Ended 30 June 2017

	2017 £	2016 £
Turnover (analysed below)	167,204	156,546
Cost of sales (analysed below)	<u>(11,018)</u>	<u>(28,179)</u>
Gross profit	<u>156,186</u>	<u>128,367</u>
Gross profit (%)	93.41%	82%
Administrative expenses		
Employment costs (analysed below)	(25,637)	(22,650)
Establishment costs (analysed below)	(23,838)	(24,576)
General administrative expenses (analysed below)	(51,830)	(46,259)
Finance charges (analysed below)	(6,547)	(3,283)
Depreciation costs (analysed below)	<u>(3,748)</u>	<u>(4,466)</u>
	<u>(111,600)</u>	<u>(101,234)</u>
Operating profit	44,586	27,133
Other interest receivable and similar income (analysed below)	<u>4</u>	<u>5</u>
Profit before tax	<u><u>44,590</u></u>	<u><u>27,138</u></u>

This page does not form part of the statutory financial statements.
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Airfox Networks Limited

Detailed Profit and Loss Account for the Year Ended 30 June 2017

	2017 £	2016 £
Turnover		
Sales GB	2,855	130
Sales Europe	1,428	12,839
Sales USA Other	162,921	109,442
Sale of Assets	-	34,135
	<u>167,204</u>	<u>156,546</u>
Cost of sales		
Materials	4,484	20,215
Packaging	3,027	2,464
Import Duty	7	-
Opening Stock	3,500	9,000
Closing Stock	-	(3,500)
	<u>11,018</u>	<u>28,179</u>
Employment costs		
Sub-Contractors	(8,114)	(6,520)
Directors Remuneration	<u>(17,523)</u>	<u>(16,130)</u>
	<u>(25,637)</u>	<u>(22,650)</u>
Establishment costs		
Rent	(15,500)	(15,568)
General Rates	(5,929)	(7,022)
Premises Insurance	(514)	(454)
Heat and Light	<u>(1,895)</u>	<u>(1,532)</u>
	<u>(23,838)</u>	<u>(24,576)</u>
General administrative expenses		
Advertising	(3,841)	(4,164)
Motor Expenses	(239)	-
Travelling and entertainment	(6,525)	(7,145)
Printing, postage and stationery	(18,576)	(12,553)
Telephone	(1,487)	(968)
Computer expenses	(11,361)	(9,951)
Office Equipment	(228)	(280)
Audit and Accountancy Fees	(2,526)	(2,000)
Legal & professional Fees		

	(1,362)	(930)
Office equipment	-	(134)
Repairs and Renewals	(1,287)	(2,130)
Cleaning	(2,791)	(2,639)
Security	(299)	(482)
General Expenses	-	(1,120)

This page does not form part of the statutory financial statements.

Airfox Networks Limited

Detailed Profit and Loss Account for the Year Ended 30 June 2017

Subscriptions	(1,296)	(1,758)
Clothing Costs	<u>(12)</u>	<u>(5)</u>
	<u>(51,830)</u>	<u>(46,259)</u>
Finance charges		
Bank Charges	<u>(6,547)</u>	<u>(3,283)</u>
Depreciation costs		
Plant/Machinery Depreciation	(1,901)	(2,482)
Furniture/Fitting Depreciation	(1,488)	(1,984)
Office Equipment Depreciation	<u>(359)</u>	<u>-</u>
	<u>(3,748)</u>	<u>(4,466)</u>
Other interest receivable and similar income		
Bank Interest Received	<u>4</u>	<u>5</u>

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