

**SOLUTION IP COMMUNICATIONS LIMITED**  
**Unaudited Financial Statements**  
**For the financial year ended 31 January 2022**  
**Pages for filing with the registrar**

**SOLUTION IP COMMUNICATIONS LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**For the financial year ended 31 January 2022**

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**SOLUTION IP COMMUNICATIONS LIMITED**  
**COMPANY INFORMATION**  
**For the financial year ended 31 January 2022**

**DIRECTORS**

Mr D A Hughes

Mr P Lincoln

Mr T R Lincoln

**REGISTERED OFFICE**

Cambridge Crescent House

Westbury On Trym

Bristol

BS9 3QG

United Kingdom

**COMPANY NUMBER**

06067279 (England and Wales)

**CHARTERED ACCOUNTANTS**

Bishop Fleming LLP

10 Temple Back

Bristol

BS1 6FL

**SOLUTION IP COMMUNICATIONS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**As at 31 January 2022**

	<b>Note</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
<b>Fixed assets</b>			
Intangible assets	3	1,229,067	994,963
Tangible assets	4	28,795	53,864
Investments	5	1,140	1,140
		<b>1,259,002</b>	<b>1,049,967</b>
<b>Current assets</b>			
Stocks		35,748	43,048
Debtors	6	499,870	579,804
Cash at bank and in hand		868,478	440,621
		<b>1,404,096</b>	<b>1,063,473</b>
<b>Creditors</b>			
Amounts falling due within one year	7	( 2,458,790)	( 1,478,293)
<b>Net current liabilities</b>		<b>(1,054,694)</b>	<b>(414,820)</b>
<b>Total assets less current liabilities</b>		<b>204,308</b>	<b>635,147</b>
<b>Creditors</b>			
Amounts falling due after more than one year	8	( 26,043)	( 584,370)
Provisions for liabilities		( 3,298)	( 6,389)
<b>Net assets</b>		<b>174,967</b>	<b>44,388</b>
<b>Capital and reserves</b>			
Called-up share capital	9	240	200
Share premium account		29,967	29,967
Profit and loss account		144,760	14,221
<b>Total shareholders' funds</b>		<b>174,967</b>	<b>44,388</b>

**SOLUTION IP COMMUNICATIONS LIMITED**  
**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**As at 31 January 2022**

For the financial year ending 31 January 2022 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 financial statements for the financial year in accordance with section 476;
- 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; and
- These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and a copy of the Profit and Loss Account has not been delivered.

The financial statements of Solution IP Communications Limited (registered number: 06067279) were approved and authorised for issue by the Board of Directors on 28 June 2022. They were signed on its behalf by:

Mr P Lincoln  
Director

**SOLUTION IP COMMUNICATIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the financial year ended 31 January 2022**

## **1. Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year, unless otherwise stated.

### **General information and basis of accounting**

Solution IP Communications Limited (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is Cambridge Crescent House, Westbury On Trym, Bristol, BS9 3QG, United Kingdom.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are presented in pounds sterling which is the functional currency of the company and rounded to the nearest £.

### **Going concern**

The directors have assessed the Statement of Financial Position and likely future cash flows at the date of approving these financial statements, having considered the impact of COVID-19. The directors note that the business has net current liabilities of £1,054,694. Given the current position the directors believe that any foreseeable debts can be met for at least 12 months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### **Group accounts exemption**

#### *Group accounts exemption s399*

The Company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the Company as an individual entity and not about its group.

### **Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in the Income Statement in the period in which they arise except for exchange differences arising on gains or losses on non-monetary items which are recognised in the Statement of Comprehensive Income.

### **Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Where a contract has only been partially completed at the Statement of Financial Position date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the Statement of Financial Position date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Turnover is recognised when the significant risks and rewards are considered to have been transferred to the customer.

**SOLUTION IP COMMUNICATIONS LIMITED**  
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**Interest income**

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**Dividend income**

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

**Employee benefits**

*Defined contribution schemes*

The Company operates a defined contribution scheme. The amount charged to the Income Statement in respect of pension costs and other post-retirement benefits is the contributions payable in the financial year. Differences between contributions payable in the financial year and contributions actually paid are included as either accruals or prepayments in the Statement of Financial Position.

**Taxation**

*Current tax*

Current tax is provided at amounts expected to be paid (or recoverable) using the tax rates and laws that have been enacted or substantively enacted at the Statement of Financial Position date.

*Deferred tax*

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the Company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more or less tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. Deferred tax assets and liabilities are not discounted.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

**Intangible assets**

Intangible assets are stated at cost or valuation, net of amortisation and any provision for impairment. Amortisation is provided on all intangible assets at rates to write off the cost or valuation of each asset over its expected useful life as follows:

Goodwill	10 years straight line
Trademarks, patents and licences	6 years straight line

*Goodwill*

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses.

*Trademarks, patents and licences*

Separately acquired patents and trademarks are included at cost and amortised in equal annual instalments over a period of 6 years which is their estimated useful economic life. Provision is made for any impairment.

**SOLUTION IP COMMUNICATIONS LIMITED**  
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**Tangible fixed assets**

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold improvements	5 years straight line
Fixtures and fittings	6 - 7 years straight line
Office equipment	3 years straight line

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

**Leases**

*The Company as lessee*

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the Income Statement over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

**Impairment of assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Statement of Financial Position date. If there is objective evidence of impairment, an impairment loss is recognised in the Income Statement as described below.

*Non-financial assets*

At each balance sheet date, the company reviews its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

**Fixed asset investments**

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value through profit or loss if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.



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**Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

**Trade and other debtors**

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts, except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

**Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in creditors: amounts falling due within one year.

**Trade and other creditors**

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

**Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**Government grants**

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

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## **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the Statement of Financial Position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

## **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. Employees**

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Monthly average number of persons employed by the Company during the year, including directors	33	31

## **3. Intangible assets**

	<b>Goodwill</b>	<b>Trademarks, patents and licences</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 01 February 2021	805,191	516,700	1,321,891
Additions	0	411,955	411,955
<b>At 31 January 2022</b>	<b>805,191</b>	<b>928,655</b>	<b>1,733,846</b>
<b>Accumulated amortisation</b>			
At 01 February 2021	122,447	204,481	326,928
Charge for the financial year	70,627	107,224	177,851
<b>At 31 January 2022</b>	<b>193,074</b>	<b>311,705</b>	<b>504,779</b>
<b>Net book value</b>			
<b>At 31 January 2022</b>	<b>612,117</b>	<b>616,950</b>	<b>1,229,067</b>
At 31 January 2021	682,744	312,219	994,963

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**4. Tangible assets**

	Leasehold improve- ments	Fixtures and fittings	Office equipment	Total
	£	£	£	£
<b>Cost</b>				
At 01 February 2021	58,219	10,834	47,399	116,452
Additions	0	796	4,793	5,589
<b>At 31 January 2022</b>	<b>58,219</b>	<b>11,630</b>	<b>52,192</b>	<b>122,041</b>
<b>Accumulated depreciation</b>				
At 01 February 2021	32,385	5,382	24,821	62,588
Charge for the financial year	12,319	1,569	16,770	30,658
<b>At 31 January 2022</b>	<b>44,704</b>	<b>6,951</b>	<b>41,591</b>	<b>93,246</b>
<b>Net book value</b>				
<b>At 31 January 2022</b>	<b>13,515</b>	<b>4,679</b>	<b>10,601</b>	<b>28,795</b>
At 31 January 2021	25,834	5,452	22,578	53,864

**SOLUTION IP COMMUNICATIONS LIMITED**  
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**5. Fixed asset investments**

**Investments in subsidiaries**

	<b>2022</b>
	<b>£</b>
<b>Cost</b>	
At 01 February 2021	203,396
<b>At 31 January 2022</b>	<b>203,396</b>
<b>Provisions for impairment</b>	
At 01 February 2021	202,256
<b>At 31 January 2022</b>	<b>202,256</b>
<b>Carrying value at 31 January 2022</b>	<b>1,140</b>
Carrying value at 31 January 2021	1,140

**Investments in shares**

<b>Name of entity</b>	<b>Registered office</b>	<b>Nature of business</b>	<b>Class of shares</b>	<b>Ownership 31.01.2022</b>	<b>Ownership 31.01.2021</b>
Solution IP Technology Limited	Cambridge Crescent House, Westbury On Trym, Bristol, United Kingdom, BS9 3QG	Dormant	Ordinary	100.00%	100.00%
Systems Supported Limited	Cambridge Crescent House Cambridge Crescent, Westbury On Trym, Bristol, England, BS9 3QG	Dormant	Ordinary	100.00%	100.00%

**6. Debtors**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade debtors	413,203	439,857
Amounts owed by directors	1,748	0
Prepayments	80,155	116,570
Other debtors	4,764	23,377
	<b>499,870</b>	<b>579,804</b>

**SOLUTION IP COMMUNICATIONS LIMITED**  
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**7. Creditors: amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	231,136	275,807
Amounts owed to Group undertakings	1,100	1,100
Amounts owed to directors	250,000	30,524
Other creditors	116,716	117,616
Other loans	308,263	299,162
Accruals and deferred income	1,337,457	531,615
Corporation tax	42,585	3,895
Other taxation and social security	171,533	218,574
	<b>2,458,790</b>	<b>1,478,293</b>

Other loans of £308,263 (2021: £299,162) are secured by a Directors personal guarantee.

**8. Creditors: amounts falling due after more than one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Amounts owed to directors	0	250,000
Other loans	26,043	334,370
	<b>26,043</b>	<b>584,370</b>

Other loans of £26,043 (2021: £334,370) are secured by a Directors personal guarantee.

**9. Called-up share capital**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called-up and fully-paid</b>		
240 Ordinary shares of £ 1.00 each (2021: 200 shares of £ 1.00 each)	240	200

In 2021 40 Ordinary shares were allotted at nominal value. This has been reflected in the current year because it is not material to restate comparatives.

**SOLUTION IP COMMUNICATIONS LIMITED**  
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**10. Financial commitments**

**Commitments**

Total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
- within one year	50,076	48,863
- between one and five years	73,749	73,488
- after five years	35,000	70,000
	<b>158,825</b>	<b>192,351</b>

**Pensions**

The Company operates a defined contribution pension scheme for the directors and employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Unpaid contributions due to the fund (inc. in other creditors)	5,660	6,172

**11. Related party transactions**

**Transactions with the entity's directors**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Amounts due to directors	250,000	280,524

The amount stated above is interest free and has been repaid post year end.

**Advances**

During the year a director, maintained a current account with the company. Advances of £26,270 (2021: £9,476) and repayments of £15,000 (2021: £19,000) were made on this loan. At the year end the director owed the company £1,748 (2020: £9,524 owed from the company). Interest is chargeable at HMRC's official rate on the overdrawn balance and there are no fixed repayment terms. Interest charged during year was £261 (2021: Nil)

The Company has taken advantage of the exemption in section 1AC.35 of FRS 102 to not disclose related party transactions with wholly owned subsidiaries within the group.

At the year end, the company owed £100,000 (2021: £100,000) to an entity under common control. The loan is interest free and included within other creditors.

During the year dividends of £Nil (2021: £40,000) were paid to directors.

**SOLUTION IP COMMUNICATIONS LIMITED**  
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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.