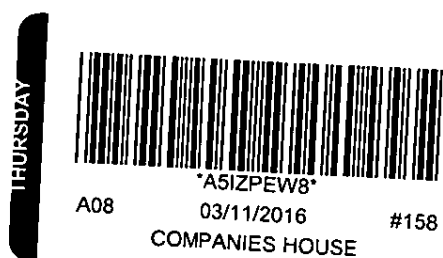


IQ Telecom Limited
Unaudited Financial Statements
31 December 2015



IQ Telecom Limited
Financial Statements
Year ended 31 December 2015

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IQ Telecom Limited
Officers and Professional Advisers

Director	D C Bygrave
Company secretary	D C Bygrave
Registered office	Castle Chambers 87A High Street Berkhamsted Hertfordshire England HP4 2DF
Bankers	Royal Bank of Scotland Benwell House Green Street Sunbury-on-Thames Middlesex TW16 6QT
Solicitors	Pinsent Masons LLP 30 Crown Place Earl Street London EC2A 4ES

IQ Telecom Limited

Director's Report

Year ended 31 December 2015

The director presents his report and the unaudited financial statements of the company for the year ended 31 December 2015

On 4 March 2015 the InterQuest Group Plc acquired the minority interest shareholdings in IQ Telecom Limited (formerly Fulcrum Telecom Limited) from minority shareholders for a consideration of £1 32m. This consideration was satisfied in cash.

On 1 July 2015 the business trade and assets of IQ Telecom Ltd were transferred at net book value to InterQuest Group (UK) Ltd, a 100% owned subsidiary of the company's ultimate parent company InterQuest Group Plc.

Directors

The directors who served the company during the year were as follows

D C Bygrave	(Appointed 31 December 2015)
G Ashworth	(Retired 24 September 2015)
M R S Joyce	(Retired 31 December 2015)
S Morrissey	(Retired 4 March 2015)
S Woodward	(Retired 4 March 2015)
Mr M Braund	(Served from 4 March 2015 to 31 December 2015)

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 28th September 2016 and signed on behalf of the board by



D C Bygrave
Director

IQ Telecom Limited
Statement of Comprehensive Income
Year ended 31 December 2015

		6 months to 30 June 2015 £	12 months to 31 December 2014 £
Turnover	Note 3	3,695,945	4,985,648
Cost of sales		(2,943,175)	(3,770,607)
Gross profit		<u>752,770</u>	<u>1,215,041</u>
Administrative expenses		(367,979)	(626,616)
Operating profit	4	<u>384,791</u>	<u>588,425</u>
Interest payable and similar charges	6	(6,534)	(8,139)
Profit on ordinary activities before taxation		<u>378,257</u>	<u>580,286</u>
Tax on profit on ordinary activities	7	(78,511)	(126,926)
Profit for the financial year and total comprehensive income		<u><u>299,747</u></u>	<u><u>453,360</u></u>

All the activities of the company are from continuing operations

The notes on pages 6 to 12 form part of these financial statements

IQ Telecom Limited
Statement of Financial Position
31 December 2015

	Note	2015 £	£	2014 £
Fixed assets				
Tangible assets	9		–	164
Current assets				
Debtors	10	1,003,258		1,846,064
Cash at bank and in hand		–		69,250
		<u>1,003,258</u>		<u>1,915,314</u>
Creditors: amounts falling due within one year	11	<u>(204,334)</u>		<u>(1,413,074)</u>
Net current assets			<u>798,924</u>	<u>502,240</u>
Total assets less current liabilities			<u>798,924</u>	<u>502,404</u>
Provisions				
Taxation including deferred tax			–	1,422
Net assets			<u>798,924</u>	<u>503,826</u>
Capital and reserves				
Called up share capital	14		501	501
Other reserves	15		–	4,649
Profit and loss account	15		<u>798,423</u>	<u>498,676</u>
Shareholders funds			<u>798,924</u>	<u>503,826</u>

For the year ending 31 December 2015 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

Director's responsibilities

- The shareholders have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476,
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

These financial statements were approved by the board of directors and authorised for issue on 28th September 2016, and are signed on behalf of the board by


D C Bygrave
Director

Company registration number 07153224

The notes on pages 6 to 12 form part of these financial statements

IQ Telecom Limited
Statement of Changes in Equity
Year ended 31 December 2015

	Called up share capital £	Other reserves £	Profit and loss account £	Total £
At 1 January 2014	501	–	72,518	73,019
Profit for the year	—	—	453,360	453,360
Total comprehensive income for the year	—	—	453,360	453,360
Dividends paid and payable	—	—	(27,202)	(27,202)
Equity-settled share-based payments	—	4,649	—	4,649
Total investments by and distributions to owners	—	4,649	(27,202)	(22,553)
At 31 December 2014	501	4,649	498,676	503,826
Profit for the year	—	—	299,747	299,747
Total comprehensive income for the year	—	—	299,747	299,747
Equity-settled share-based payments	—	(4,649)	—	(4,649)
Total investments by and distributions to owners	—	(4,649)	—	(4,649)
At 31 December 2015	501	—	798,423	798,924

The notes on pages 6 to 12 form part of these financial statements

IQ Telecom Limited
Notes to the Financial Statements
Year ended 31 December 2015

1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'

2. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued by the Financial Reporting Council. The principal accounting policies of the company have been applied consistently remaining unchanged from the previous year and set out below

The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. For more information, see note 19

The financial statements are prepared in sterling, which is the functional currency of the entity

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its parent, InterQuest Group Plc. Exemptions have been taken in these separate Company financial statements in relation to presentation of a cash flow statement, intra-group transactions, financial instruments, share-based payments and remuneration of key management personnel

Going concern

On 1 July 2015, the Company transferred its trade to a fellow Group company, InterQuest Group (UK) Limited and the Company is not expected to recommence trading after this date. As required by Section 3 of FRS 102, the directors have prepared the accounts on a basis other than that of a going concern. No material adjustment arose as a result of ceasing to apply the going concern basis of preparation

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 19

Revenue recognition

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

Turnover for temporary contract assignments is recognised over the contract period for the services of the temporary contractor. Turnover recognised, but not invoiced at the balance sheet date, is correspondingly accrued on the balance sheet within 'Prepayments and accrued income'

Turnover from permanent placements, which is based on a percentage of the candidate's remuneration package, is derived from both retained assignments (income recognised on completion of defined stages of work) and non-retained assignments (income is recognised at the time the candidate accepts an offer of full time employment and where a start date has been determined)

Provision is made for the expected cost of meeting obligations where placements do not work for the specified contractual period

IQ Telecom Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2015

2. Accounting policies *(continued)*

Income tax

Current tax is the tax currently payable based on taxable profits for the year

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, except deferred tax assets which are recognised only to the extent that the director considers that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows

Fixtures, fittings and equipment	- 50% straight line
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Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date

IQ Telecom Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2015

2 Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Share-based payments

Equity-settled share-based payment transactions are measured at fair value at the date of grant. The fair value is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity. This is based upon the company's estimate of the shares or share options that will eventually vest which takes into account all vesting conditions and non-market performance conditions, with adjustments being made where new information indicates the number of shares or share options expected to vest differs from previous estimates.

Fair value is determined using an appropriate pricing model. All market conditions and non-vesting conditions are taken into account when estimating the fair value of the shares or share options. As long as all other vesting conditions are satisfied, no adjustment is made irrespective of whether market or non-vesting conditions are met.

Where the terms of an equity-settled transaction are modified, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the fair value of the transaction, as measured at the date of modification.

Where an equity-settled transaction is cancelled or settled, it is treated as if it had vested on the date of cancellation or settlement, and any expense not yet recognised in profit or loss is expensed immediately.

Cash-settled share-based payment transactions are measured at the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

3. Turnover

Turnover arises from

	2015	2014
	£	£
United Kingdom	<u>3,695,945</u>	<u>4,985,648</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

IQ Telecom Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2015

4. Operating profit

Operating profit or loss is stated after (crediting)/charging

	2015 £	2014 £
Depreciation of tangible assets	204	3,005
Equity-settled share-based payments expense	<u>(4,649)</u>	<u>4,649</u>

5. Director's remuneration

The director's aggregate remuneration in respect of qualifying services was

	2015 £	2014 £
Remuneration	<u>78,187</u>	<u>138,502</u>

G P Ashworth, M R S Joyce, M A Braund and D C Bygrave were remunerated by the company's ultimate parent undertaking, InterQuest Group Plc

6 Interest payable and similar charges

	2015 £	2014 £
Interest on banks loans and overdrafts	<u>6,534</u>	<u>8,139</u>

7 Tax on profit on ordinary activities

Major components of tax expense

	2015 £	2014 £
Current tax:		
UK current tax expense	76,827	127,445
Under/(over) provision in prior years	262	(325)
Total current tax	<u>77,089</u>	<u>127,120</u>
Deferred tax:		
Origination and reversal of timing differences	1,422	(194)
Total deferred tax	<u>1,422</u>	<u>(194)</u>
Tax on profit on ordinary activities	<u>78,511</u>	<u>126,926</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2014 higher than) the standard rate of corporation tax in the UK of 20.50% (2014 21.50%)

	2015 £	2014 £
Profit on ordinary activities before taxation	<u>378,258</u>	<u>580,286</u>
Profit on ordinary activities by rate of tax	77,543	124,761
Adjustment to tax charge in respect of prior periods	262	(325)
Effect of expenses not deductible for tax purposes	706	2,490
Tax on profit on ordinary activities	<u>78,511</u>	<u>126,926</u>

IQ Telecom Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2015

8. Dividends

Dividends proposed after the year end and not recognised as a liability

	2015 £	2014 £
Dividends on Ordinary A share capital	<u>-</u>	<u>176,164</u>

The Directors have not proposed a dividend after the year end

9 Tangible assets

	Fixtures and fittings £	Total £
Cost		
At 1 January 2015	13,929	13,929
Additions	2,144	2,144
Transfers	(16,073)	(16,073)
At 31 December 2015	<u>-</u>	<u>-</u>
Depreciation		
At 1 January 2015	13,765	13,765
Charge for the year	204	204
Transfers	(13,969)	(13,969)
At 31 December 2015	<u>-</u>	<u>-</u>
Carrying amount		
At 31 December 2015	<u>-</u>	<u>-</u>
At 31 December 2014	<u>164</u>	<u>164</u>

10 Debtors

	2015 £	2014 £
Trade debtors	-	691,884
Amounts owed by group undertakings and undertakings in which the company has a participating interest	1,003,258	1,074,126
Other debtors	-	80,054
	<u>1,003,258</u>	<u>1,846,064</u>

Amounts owed by Group undertakings are unsecured, have no fixed date of repayment, are repayable on demand and are not subject to interest rate risk as they are interest free

IQ Telecom Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2015

11 Creditors' amounts falling due within one year

	2015 £	2014 £
Bank loans and overdrafts	–	262,569
Trade creditors	–	285,373
Amounts owed to group undertakings and undertakings in which the company has a participating interest	–	593,671
Corporation tax	204,334	149,383
Social security and other taxes	–	93,035
Other creditors	–	29,043
	<u>204,334</u>	<u>1,413,074</u>

Amounts owed to Group undertakings are unsecured, have no fixed date of repayment, are repayable on demand and are not subject to interest rate risk as they are interest free

12. Deferred tax

The deferred tax included in the statement of financial position is as follows

	2015 £	2014 £
Included in provisions	–	(1,422)

The effective deferred tax rate at the 2015 balance sheet date was 19% (2014 20%)

Deferred tax assets are recognised only to the extent that the director considers that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

13 Share-based payments

The total expense recognised in profit or loss for the year is as follows

	2015 £	2014 £
Equity-settled share-based payments	<u>(4,649)</u>	<u>4,649</u>

14. Called up share capital

Issued, called up and fully paid

	2015		2014	
	No	£	No	£
Ordinary A shares of £1 each	<u>501</u>	<u>501</u>	<u>501</u>	<u>501</u>

15. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses

16. Contingencies

There were no contingent liabilities at 31 December 2015 or 31 December 2014

IQ Telecom Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2015

17. Related party transactions

The Company has taken the exemption under FRS 102 to not disclose intra-group transactions. No other transactions with related parties were undertaken such as are required to be disclosed under FRS 102 section 33.

18. Controlling party

The ultimate parent undertaking, immediate parent and controlling party of the company is InterQuest Group Plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements, incorporated in England and Wales. Copies of the group accounts can be obtained from the ultimate parent undertaking's registered office.

19. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2014.

No transitional adjustments were required in equity or profit or loss for the year.