

Registered number: 07328682

**SILENT EDGE HOLDINGS LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2018**

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**SILENT EDGE HOLDINGS LIMITED****REGISTERED NUMBER:07328682****BALANCE SHEET****AS AT 31 DECEMBER 2018**

	<b>Note</b>	<b>2018</b> £	<b>2017</b> £
<b>Fixed assets</b>			
Fixed asset investments	4	11,372	11,372
<b>Current assets</b>			
Debtors	5	1,655,996	1,446,242
Bank and cash balances		3,640	727
		<u>1,659,636</u>	<u>1,446,969</u>
Creditors: amounts falling due within one year	6	(116,002)	(126,733)
<b>Net current assets</b>		<u>1,543,634</u>	<u>1,320,236</u>
<b>Total assets less current liabilities</b>		<u>1,555,006</u>	<u>1,331,608</u>
Creditors: amounts falling due after more than one year	7	(419,524)	(409,645)
<b>Net assets</b>		<u><u>1,135,482</u></u>	<u><u>921,963</u></u>
<b>Capital and reserves</b>			
Called up share capital		145,580	107,914
Share premium account		2,339,366	2,111,332
Profit and loss account		(1,349,464)	(1,297,283)
		<u><u>1,135,482</u></u>	<u><u>921,963</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.

**SILENT EDGE HOLDINGS LIMITED**

**REGISTERED NUMBER:07328682**

**BALANCE SHEET (CONTINUED)**

***AS AT 31 DECEMBER 2018***

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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 profit and loss account 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:

  
.....  
**B L Taylor**  
Director

Date: 27 June 2019

The notes on pages 3 to 7 form part of these financial statements.

# **SILENT EDGE HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### ***FOR THE YEAR ENDED 31 DECEMBER 2018***

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#### **1. General information**

Silent Edge Holdings Limited is a limited company domiciled and incorporated in England and Wales.

The address of the company's registered office and place of business is 77 Mount Ephraim, Tunbridge Wells, Kent, TN4 8BS.

#### **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.

Monetary amounts in these financial statements are stated in pounds sterling and are rounded to the nearest whole £1, except where otherwise indicated.

The following principal accounting policies have been applied:

# **SILENT EDGE HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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## **2. Accounting policies (continued)**

### **2.2 Going concern**

In line with expectations and following the two-year restructuring strategy, the directors of the Company are reporting a loss after tax of £52,181 and net liabilities of £1,135,482 for the financial year ended 31 December 2018. Hence the company is reliant on the continued support from the ultimate beneficial owners.

In 2014 the directors decided to restructure the business and agreed a two-year plan that transformed the subsidiary undertaking from presenting itself as a sales training company with a major reliance on a few blue chip customers to a technology platform based business that has a broad base of direct sales customers as well as significant global distribution partners. By December 2017 the sales training activities had been successfully curtailed.

The transitioning programme has significantly reduced the salary and operating costs from the subsidiary undertaking. In 2018 the directors agreed to commence the building of a new HR technology platform that would replace its existing Sales Assessment technology platform, the new HR platform is anticipated to become operational during 2019.

During 2018 shareholders have continued to support equity raises financing the business through the transition period and technology development stages. Further support in Q1 2019 has been secured and further support is anticipated across the year.

The directors are confident that the new technology will increase customer orders in the second half of 2019 to be sufficient to support the current cost base. It is the intention of the directors to grow the sales revenues of the business, however, any additional increase in the cost base will be supported by further investment and working capital facilities.

Both aspects of the changes envisaged have required some tough decisions to be made and the outcome of the necessary implementation of these decisions have presented financial results that are not reflective of the aspirations of the Company's trading potential.

The directors recognised the business needed a further injection of equity into the business and in 2018 and 2019 they issued additional A Shares into the Company and rescheduled and discharged existing liabilities within the business as disclosed in note 8 of these financial statements. To ease short term cash flow, a CVA was entered into on 31st July 2018 with monthly payment arrangement of £15,000 spread over 39 months.

The directors have considered the future trading prospects of the Group and taking into account the results and the financial projections for future years. The business is building an attractive list of global resellers and new customers, thereby creating a broad spread of revenue from its high-quality customer base. Consequently, the directors consider that the Company and its subsidiaries have sufficient resources to continue its operations for the foreseeable future whilst noting that the company will require continued careful management of its working capital resources and further support from its shareholders to support its growth plans. In view of the above, the directors consider it appropriate to prepare these financial statements on a going concern basis.

### **2.3 Finance costs**

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. Accounting policies (continued)**

**2.4 Borrowing costs**

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

**2.5 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.6 Debtors**

Short term debtors are measured at transaction price, less any impairment.

**2.7 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.

**2.8 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

**3. Employees**

The average monthly number of employees, including directors, during the year was 3 (2017 - 3).

**4. Fixed asset investments**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 January 2018	11,372
At 31 December 2018	<u>11,372</u>

**SILENT EDGE HOLDINGS LIMITED**  
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**5. Debtors**

	<b>2018</b>	<b>2017</b>
	£	£
Amounts owed by group undertakings	1,640,603	1,432,174
Other debtors	15,393	14,068
	<u>1,655,996</u>	<u>1,446,242</u>

**6. Creditors: Amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	£	£
Trade creditors	25,573	34,839
Other creditors	88,566	88,144
Accruals and deferred income	1,863	3,750
	<u>116,002</u>	<u>126,733</u>

On the 31 July 2018 the company entered into a Creditors Voluntary Arrangement. The amounts under this arrangement are included within other creditors.

**7. Creditors: Amounts falling due after more than one year**

	<b>2018</b>	<b>2017</b>
	£	£
Other loans	<u>419,524</u>	<u>409,645</u>

Secured other loans of £419,524 falling due after more than one year have been rescheduled to be repayable on 31 January 2021 including a 10% redemption premium. The interest relating to the redemption premium will be accrued for over the duration of the loan, with the interest payable charged to the statement of profit or loss.

**SILENT EDGE HOLDINGS LIMITED**  
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**8. Share capital**

	<b>2018</b>	<b>2017</b>
	£	£
<b>Allotted, called up and fully paid</b>		
7,701 (2017 - 7,701) Ordinary shares of £0.125 each	963	963
12,786,210 (2017 - 9,019,546) A Ordinary shares of £0.010 each	127,861	90,195
1,675,568 (2017 - 1,675,568) B Ordinary shares of £0.010 each	16,756	16,756
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	145,580	107,914
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In March 2018, 200,000 A Shares of £0.01 were issued at £0.075 per share.

In September 2018, 1,966,666 A Shares of £0.01 were issued at £0.075 per share.

In October 2018, 1,199,999 A Shares of £0.01 were issued at £0.075 per share.

In December 2018, 399,999 A Shares of £0.01 were issued at £0.075 per share.

**9. Related party transactions**

The company has taken advantage of the exemption provided in section 33.1A of Financial Reporting Standard 102 from the requirement to disclose transactions with wholly owned group members.

During the year the subsidiary company paid £100,000 (2017 - £137,000) to a director of the parent company for consultancy services. As at the year end £133,500 (2017 - £37,500) was due to the director from the subsidiary company.

During the year the company paid £33,292 (2017 - £46,170) to a director for consultancy services. As at the year end £14,292 (2017 - £25,234) was due to the director from the company.

**10. Post balance sheet event**

In February 2019, 1,333,333 A Shares of £0.01 were issued at £0.075 per share.