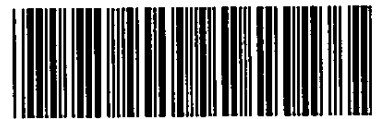


Company Number 07982323

SMI Telecoms Distribution Limited

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ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE 9 MONTHS ENDED 31 DECEMBER 2013



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SMI Telecoms Distribution Limited

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For the 9 months ended 31 December 2013

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SMI Telecoms Distribution Limited

Annual Report & Financial Statements
For the 9 months ended 31 December 2013

Officers and Professional Advisors

Directors

R S Terry

L Moorse

Registered Office

Quindell Court

1 Barnes Wallis Road

Segensworth East

Fareham

Hampshire

PO15 5UA

Bankers

HSBC Bank Plc

165 High St

Southampton

Hampshire

SO14 2NZ



Directors' Report

SMI Telecoms Distribution Limited

Annual Report & Financial Statements
For the 9 months ended 31 December 2013

The directors present their report and the unaudited financial statements for the 9 months ended 31 December 2013. The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU.

Principal activities

The principal activity of the company is the provision of a range of software with associated product maintenance and consulting services to clients in the Telecoms sector.

Dividends

The directors recommend no dividend for the period under review.

Financial and business review

The company returned a profit before tax for the period of £368,000 (March 2013: £nil). The operating cash flow for the period was £nil (March 2013: £nil). The company was incorporated on 8 March 2012. The Accounting Year End was shortened from 31 March 2014 to 31 December 2013. The results for the period are therefore for a nine month period whilst the comparatives with the previous period are for thirteen months.

Directors

The directors who served during the period are as stated below:

R S Terry

L Moorse

Political and charitable donations

The Company made no political or charitable donations or incurred any political expenditure during the period (March 2013: £nil).

Going concern

As at December 2013 the Company had access to significant banking facilities provided by the wider Quindell Group. No material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern have been identified by the Directors. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Small company exemption

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

Directors' Responsibility Statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare such financial statements for each financial period. Under that law the directors have chosen to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and applicable law.



Directors' Report

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its profit or loss for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board

A handwritten signature in black ink, appearing to read 'L. Moorse'.

L. Moorse
20 October 2014



Financial Statements

Income Statement

for the period ended 31 December 2013

		9 months to 31 December 2013 £'000	13 months to 31 March 2013 £'000
	Note		
Revenue		393	-
Cost of sales		(25)	-
Gross profit		368	-
Administrative expenses		-	-
Operating profit and profit before taxation		368	-
Taxation	6	(86)	-
Retained profit		282	-

Statement of Changes in Equity

for the period ended 31 December 2013

	Share capital £'000	Retained earnings £'000
At 1 April 2013	-	-
Profit for the period	-	282
At 31 December 2013	-	282
At 8 March 2012	-	-
Profit for the period	-	-
At 31 March 2013	-	-



Financial Statements

Statement of Financial Position

as at 31 December 2013

	Note	31 December 2013 £'000	31 March 2013 £'000
Current assets			
Trade and other receivables	7	2,624	-
		2,624	-
Total assets		2,624	-
Current liabilities			
Trade and other payables	8	(2,256)	-
Corporation tax		(86)	-
		(2,342)	-
Total liabilities		(2,342)	-
Net assets		282	-
Equity			
Share capital	9	-	-
Retained earnings		282	-
Total equity		282	-

For the period ending 31 December 2013 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies, and the directors are satisfied that no member or members have requested an audit pursuant to section 476 of that Act

The directors acknowledge their responsibilities for

- (i) ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company

The financial statements of SMI Telecoms Distribution Limited, registered number 07982323, on pages 6 to 15 were approved and authorised for issue by the board of directors on 20 October 2014 and signed on its behalf by

L Moore
Director

**Financial Statements****Cash Flow Statement**

for the period ended 31 December 2013

		9 months to 31 December 2013 £'000	13 months to 31 March 2013 £'000
	Note		
Cash flows from operating activities			
Cash generated from operations before tax	10	-	-
Net cash generated from operating activities		-	-
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the period		-	-
Cash and cash equivalents at the end of the period		-	-



Notes to the Financial Statements

1. General information

Intelligent Claims Management Limited is a company incorporated and domiciled in the United Kingdom

2. Adoption of new and revised Standards

In the current period, the following new and revised Standards and Interpretations have been adopted

Standards affecting the financial statements – both early adopted by the Group

IFRS10 Consolidated Financial Statements (2011)

IFRS 12 Disclosure of Interests in Other Entities

Standards and interpretations not significantly affecting the reported results or the financial position

Amendments to IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities (effective for periods beginning on or after 1 January 2013)

IFRS 11 Joint Arrangements

IFRS 13 Fair Value Measurement (effective for periods beginning on or after 1 January 2013)

Amendments to IAS 1 Presentation of Items of Other Comprehensive Income (effective for periods beginning on or after 1 January 2013)

IAS 19 Employee Benefits (2011)

Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets (2013)

IAS 28 (as revised in 2011) Investments in Associates and Joint Ventures

IFRS10, IFRS11 and IFRS12 have been early adopted by the Group but have no impact on the reported results or financial position of the Company

All amendments issued to IFRS10, IFRS 11, IFRS 12 and IAS 27 have also been applied. Annual improvements issued for 2010-2012 and for 2011-2013 have been considered and applied

Where any additional disclosure requirements were identified from these standards, the appropriate disclosures have been included in the notes to the accounts

Accounting standards not yet effective

At the date of authorisation of these financial statements, the following relevant Standards and Interpretations which have not been applied in these financial statements were in issue

but not yet effective (and in some cases had not been adopted by the EU)

International Financial Reporting Standards (IFRS)

IFRS 9 Financial Instruments (effective for periods beginning on or after 1 January 2018 but is yet unendorsed)

Amendments to IFRS 9 and IFRS 7 Mandatory Effective Date of IFRS 9 and Transition Disclosures (effective for periods beginning on or after 1 January 2015)

Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities (effective for periods beginning on or after 1 January 2014)

Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting (effective for periods beginning on or after 1 January 2014)

The Directors do not anticipate that the adoption of these Standards and Interpretations in future periods will have a material impact on the financial statements of the Company



Notes to the Financial Statements

3. Significant accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) for the first time. IFRS 1 "First-time Adoption of International Financial Reporting Standards" has been applied. The Company's transition date for the adoption of IFRS 1 is 8 March 2012. IFRS 1 permits companies adopting IFRS for the first time to take certain exemptions from full retrospective application of IFRS accounting policies. In accordance with IFRS 1 the Company has not revised estimates required under IFRS 1 that were also required under UK GAAP as at 31 March 2013, and, in addition where estimates were not required under UK GAAP, they have been based on information known at that time, and not on subsequent events.

On adoption of IFRSs, no differences have arisen which affect the reported financial position, financial performance and cash flows of the company, with the exception of the fact that the Company was exempt from preparing a cashflow statement under UK GAAP, being a small company. Therefore no transition disclosures or reconciliations are presented. As 31 March 2013 was the first balance sheet date for the company only two periods of balance sheet disclosure are presented in these financial statements.

The financial statements have been prepared in accordance with IFRSs adopted by the European Union. The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets acquired. The principal accounting policies adopted are set out below.

Revenue recognition

The Company provides software, business and technology consulting services, administration and management services, SaaS solutions and other services.

The Company receives its income through Software ILF (Initial Licence Fee), SaaS (Software as a Service), consulting fees, management charges, click fees and other success based one-time fees. Intellectual property rights ("IPR") or distribution rights to IPR are sold and recognised on the delivery of IPR or granting of the rights to the customer.

When selling software, new solution sales typically involve software licences being sold together with Post Customer Support (PCS) services and/or implementation services. Where the commercial substance of such a combination is that the individual components operate independently of each other and fair values can be attributed to each of the components, each are then recognised in accordance with their respective policies described below. Where it is not possible to attribute reliable fair values to two or more

components, these are viewed as a combination and revenue is recognised on the combined revenue streams as the combined service is delivered using the percentage of completion method. Provisions for estimated losses on uncompleted contracts are recorded in the period in which such losses become probable, based on contract cost estimates.

The revenue recognition policies for separately identifiable revenue streams are as follows:

Initial licence fees, SaaS and other success based one-time fees

Revenues are recognised when pervasive evidence of an arrangement exists, delivery has occurred, the licence or other one-time fee is fixed or determinable, the collection of the fee is reasonably assured, no significant obligations with regard to success, installation or implementation of the software or service remain, and customer acceptance, when applicable, has been obtained. On certain SaaS contracts where there are fixed and contracted term lengths and no other services are required to be performed during the remainder of the contract, receivables under the contracts are recognised at the point of sale.

Maintenance, Hosting and other PCS Services

Maintenance, Hosting and PCS services are billed on a periodic basis in advance. The Group recognises revenue on these services evenly over the period of the contract.

Solution Delivery Implementation Services

Revenues for all fixed fee contracts are recognised on a percentage complete basis. The Group calculates the percentage to complete by comparing the number of man days utilised at the period end with the total number of man days required to complete the project. Project plans are reviewed on a regular basis with any losses recognised immediately in the period in which such losses become probable based on contract cost estimates.

Operating profit

Operating profit is profit stated before finance income, finance expense and tax.

Trade receivables

Trade receivables are held at amortised cost less any impairment provisions and this equates to their recoverable value. Amounts set aside for settlement adjustments, which insurers in certain limited circumstances (e.g. due to administrative delays) seek to negotiate, are based on historical experience. The resulting settlement adjustments are recognised within revenue as they relate to revisions of income estimates, not collectability (credit risk). Movements in the impairment provision relating to credit risk are recognised within administrative expenses as bad debt expenses.

Trade payables

Trade payables do not carry any interest and are stated at their fair value.



Notes to the Financial Statements

Taxation

The tax expense represents the sum of current tax and deferred tax. Tax is recognised in the Income Statement except to the extent that it relates to items recognised in equity in which case it is recognised in equity. The current tax is based on taxable profit for the period calculated using tax rates that have been enacted or substantively enacted by the Statement of Financial Position date.

4 Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Company's accounting policies, management has made a number of judgements, and the preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The key assumption concerning the future and other sources of estimation is outlined below.

Revenue recognition

The Company recognises revenue as described in the revenue recognition accounting policy, when it is reasonably certain that the revenue has been earned.



Notes to the Financial Statements

5 Employee and staff costs

There were no employees during the period apart from the directors. The remuneration of the executive and non-executive directors was £nil. The cost of the directors was borne by other group companies.

No retirement benefits were accruing under any schemes in respect of any of the directors (March 2013: none). None of the directors received any remuneration in connection with contributions to pension schemes.

6 Taxation

	9 months to 31 December 2013 £'000	13 months to 31 March 2013 £'000
The taxation charge comprises		
Current tax		
- Current period	86	-
Total current tax	86	-
Deferred tax		
- Origination and reversal of temporary differences	-	-
Total deferred tax	-	-
Total tax expense	86	-

Income tax for the UK is calculated at the standard rate of UK corporation tax of 23.25% (March 2013: 24.50%) on the estimated assessable profit for the period. The total charge for the period can be reconciled to the accounting profit as follows:

	9 months to 31 December 2013 £'000	13 months to 31 March 2013 £'000
Profit on ordinary activities before tax	368	-
Tax at 23.25% (March 2013: 24.5%) thereon	86	-
Total tax charge for the period	86	-

Factors affecting future tax charges

The 2013 Budget on 20 March 2013 announced that the UK corporation tax rate will be reduced to 21% from 1 April 2014 and to 20% from 1 April 2015. These rates were substantially enacted on 2 July 2013. A rate of 20% has been used for deferred tax assets and liabilities being realised or settled after 1 April 2015.

7. Trade and other receivables

	31 December 2013 £'000	31 March 2013 £'000
Trade receivables (net of impairment provision)	92	-
Amounts due from group companies	861	-
Prepayments	1,671	-
	2,624	-

The directors consider that the net carrying amount of Trade receivables approximates to their fair value.



Notes to the Financial Statements

8 Trade and other payables

	31 December 2013 £'000	31 March 2013 £'000
Current liabilities		
Amounts due to group companies	2,250	-
Accruals and deferred income	6	-
	2,256	-

9 Share Capital

	31 December 2013		31 March 2013	
	Number	Nominal value £'000	Number	Nominal value £'000
Issued and fully paid ordinary shares of £1 each				
At the start and end of the period	1	-	1	-

10. Cash flow from operating activities

	9 months to 31 December 2013 £'000	13 months to 31 March 2013 £'000
Operating profit	368	-
Operating cash flows before movements in working capital and provisions	368	-
Increase in trade and other receivables	(2,624)	-
Increase in trade and other payables	2,256	-
Cash generated from operations before exceptional costs	-	-

11. Reconciliation of net cash flow to movement in net funds

	1 April 2013 £'000	Cash flow movements £'000	31 December 2013 £'000
Cash and cash equivalents	-	-	-
Net funds	-	-	-



Notes to the Financial Statements

12. Financial instruments

The Company's financial instruments comprise borrowings, cash and liquid resources and various items such as trade debtors and trade creditors that arise from its operations. The Company does not use derivatives. The main purpose of these financial instruments is to manage the Company's operations. It is, and has been throughout the period under review, the policy of the Company that no trading in financial instruments shall be undertaken.

Liquidity risk

The Company has a strong cash position and funds generated from operations are managed centrally. The Company maintains the most appropriate mix of short and medium term borrowings from the Company's lenders.

The following are the contractual maturities of financial liabilities

Non-derivative financial liabilities	Carrying amount £'000	Contractual cash flows £'000	Less than 1 year £'000	Between 1-5 years £'000
31 December 2013				
Trade and other payables	2,250	(2,250)	(2,250)	-
	2,250	(2,250)	(2,250)	-
31 March 2013				
Trade and other payables	-	-	-	-
	-	-	-	-

Credit risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The carrying amount of financial assets represents the maximum credit exposure.

The ageing of trade receivables at the reporting date was as follows

31 December 2013	£'000 Gross	£'000 Impairment	£'000 Net
Under 1 year	92	-	92
	92	-	92
31 March 2013	£'000 Gross	£'000 Impairment	£'000 Net
Under 1 year	-	-	-
	-	-	-

Included in the above net trade debtors is £nil (March 2013: £nil) which are past their due date but not impaired.

The allowance has been determined by reference to the recoverability of specific overdue debts. No allowance for impairment is made against other receivables. The creation and reversal of provisions for impaired trade receivables where they arise are included in administrative expenses in the Income Statement. The directors consider that the carrying amount of trade and other receivables approximates their fair value.

13. Ultimate parent company

The immediate parent company is Quindell Technologies Limited. The ultimate parent company of the Company is Quindell Plc. Copies of the consolidated accounts of Quindell Plc can be obtained by writing to the Company Secretary at Quindell Court, 1 Barnes Wallis Road, Segensworth East, Fareham, Hampshire PO15 5UA.



Notes to the Financial Statements

14. Related party transactions

Transactions with other group companies

As part of its normal operating activities, the company enters into transactions with other group undertakings

The amounts and balances of these transactions are shown below

	31 December				31 March			
	Sales	Purchases	Debtor	Creditor	Sales	Purchases	Debtor	Creditor
	9 months	9 months			13 months	13 months		
	2013	2013	2013	2013	2013	2013	2013	2013
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Transactions with								
Immediate parent	-	-	288	-	-	-	-	-
Other group subsidiaries	305	-	573	(2,250)	-	-	-	-
	305	-	861	(2,250)	-	-	-	-

In addition to the above the Company sold current assets to its immediate parent of £288,000 (March 2013 £nil) and £268,000 (March 2013 £nil) to other group subsidiaries. The Company purchased current assets of £2,250,000 (March 2013 £nil) from other group subsidiaries. Each of these transactions resulted in no gain or loss for the Company (March 2013 £nil).